

OKLAHOMA

Gail E. Wing to be postmaster at Camargo, Okla., in place of G. E. Wing. Incumbent's commission expired July 2, 1930.

George Wehrenberg to be postmaster at Lovell, Okla. Office became presidential July 1, 1930.

PENNSYLVANIA

Marshall Troutman to be postmaster at Clearville, Pa. Office became presidential July 1, 1930.

Alice B. Carrick to be postmaster at Loupurex, Pa. Office became presidential July 1, 1930.

Thomas McLeister to be postmaster at Philadelphia, Pa., in place of G. E. Kemp, resigned.

John H. Watson to be postmaster at Turtle Creek, Pa. Office established July 1, 1929.

RHODE ISLAND

Oscar R. Parr to be postmaster at Chepachet, R. I. Office became presidential July 1, 1930.

James F. Harrod to be postmaster at Wallum Lake, R. I. Office became presidential July 1, 1930.

Grace S. Croome to be postmaster at West Kingston, R. I. Office became presidential July 1, 1930.

SOUTH CAROLINA

George E. Munn to be postmaster at Lake City, S. C., in place of E. L. Isenhower, resigned.

Mary E. Morris to be postmaster at Pickens, S. C., in place of E. D. Kirksey. Incumbent's commission expired February 6, 1930.

Ira S. Holden to be postmaster at Walhalla, S. C., in place of W. B. Aull. Incumbent's commission expired June 12, 1930.

TENNESSEE

Charles H. Bewley to be postmaster at Greeneville, Tenn., in place of C. H. Bewley. Incumbent's commission expires December 20, 1930.

Alexander H. Hill to be postmaster at Harrogate, Tenn., in place of John Herd. Incumbent's commission expired January 29, 1930.

Oren B. Zachry to be postmaster at Livingston, Tenn., in place of T. F. Stephens, deceased.

TEXAS

Austin Davis to be postmaster at Cushing, Tex., in place of W. B. McCrary, deceased.

James Flanagan to be postmaster at Mabank, Tex., in place of Lee Gray. Incumbent's commission expired March 30, 1930.

Ruel D. Dunn to be postmaster at Plano, Tex., in place of C. D. Rasor, removed.

Mamie Dyer to be postmaster at Tolar, Tex., in place of Mamie Dyer. Incumbent's commission expired March 15, 1930.

WASHINGTON

Charles T. LeWarne to be postmaster at Bellevue, Wash., in place of R. E. Blackwood, resigned.

Walter M. Hubbell to be postmaster at Spokane, Wash., in place of T. J. Smith, deceased.

WISCONSIN

Edgar Leissring to be postmaster at New Butler, Wis. Office became presidential July 1, 1930.

HOUSE OF REPRESENTATIVES

WEDNESDAY, DECEMBER 3, 1930

The House met at 12 o'clock, noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Infinite Power of Love, we praise Thee that a new day is full of sublime significance. It is the breath of God flowing out of one eternity into another. Let to-day smile to greet us with new opportunities for doing good and being good. Thou who knowest the unexpressed desires of every heart, grant us the things that are good and helpful. Give us the power of realizing more of that which belongs to our

spiritual natures; let us feel the tremulous touches of heavenly joy. Always may character and conscience have their ways in the defense of the Republic and in the perpetuity of righteous government. In the name of our Saviour. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, its principal clerk, announced that the Senate had passed the following resolutions:

Senate Resolution 343

Resolved, That the Senate has heard with profound sorrow the announcement of the death of Hon. CHARLES F. CURRY, late a Representative from the State of California.

Resolved, That the Secretary communicate these resolutions to House of Representatives and transmit a copy thereof to the family of the deceased.

Resolved, That as a further mark of respect to the memory of the deceased Representative the Senate do now adjourn.

Senate Resolution 344

Resolved, That the Senate has heard with profound sorrow the announcement of the death of Hon. JOHN FRANCIS QUAYLE, late a Representative from the State of New York.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

Resolved, That as a further mark of respect to the memory of the deceased the Senate do now adjourn.

Senate Resolution 345

Resolved, That the Senate has heard with profound sorrow the announcement of the death of Hon. CHARLES M. STEDMAN, late a Representative from the State of North Carolina.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

Resolved, That as a further mark of respect to the memory of the deceased Representative the Senate do now adjourn.

Senate Resolution 346

Resolved, That the Senate has heard with profound sorrow the announcement of the death of Hon. WILLIAM C. HAMMER, late a Representative from the State of North Carolina.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

Resolved, That as a further mark of respect to the memory of the deceased Representative the Senate do now adjourn.

Senate Resolution 347

Resolved, That the Senate has heard with profound sorrow the announcement of the death of Hon. OTIS WINGO, late a Representative from the State of Arkansas.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

Resolved, That as a further mark of respect to the memory of the deceased Representative the Senate do now adjourn.

THE REPUBLICAN RECORD

Mr. KORELL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the tariff.

The SPEAKER. The gentleman from Oregon asks unanimous consent to extend his remarks in the RECORD on the tariff. Is there objection?

There was no objection.

Mr. KORELL. Mr. Speaker, the recent election was in many respects unique. Since my return to Washington I have found that many of my colleagues are inquisitive to learn about the particular issues that were stressed in the congressional campaigns throughout the country. Accordingly, under leave to extend my remarks, I will restate the substance of several talks that I made in the course of my own campaign in the third Oregon congressional district.

THE TARIFF

After months of painstaking study on the part of a great many statesmen and after a great deal of debate the tariff bill has been passed and has become the law of the land.

Perhaps never in the history of the Republic has a tariff bill been subject to such bitter attack, to so much vituperation and misrepresentation. All sorts of arguments were brought against the proposed bill, and the attacks in many of the metropolitan newspapers of the East, inspired by various interests, continued down to the day the bill was signed by President Hoover. Many charges were misleading

and made out of whole cloth; many of the arguments advanced by the free traders were contradictory.

For instance, they told the farmers that the bill would not protect them, that it would not bring them more money for the farm products but would increase their cost of living, without compensation. Then they told the workers in the city that the tariff on farm products would make prices of foodstuffs in the city so high that the workers would no longer exist. They charged that our foreign trade would shrivel and die, that foreign nations would refuse to buy our goods and would make all sorts of retaliatory measures against us.

Most of these arguments, however, are as old as the free trade fallacy itself, and they had little weight on the Republican majority in Congress. For the free traders are fond of predicting calamities. It is their favorite occupation. When the tariff bill of 1922 was passed they told us our foreign trade would die, that Europe would be unable to pay anything on its debts. Page advertisements were run in many newspapers predicting that the tariff would make the cost of clothing so high the ordinary man would be unable to buy a suit when the one on his back had worn out. Now, what happened after 1922? We entered on one of the greatest periods of prosperity in our entire history. Our foreign trade grew by leaps and bounds, and the cost of living commenced going downward so that the dollar of the worker and the farmer would year after year buy more and more of the necessities of life.

The calamity howlings of the free traders, as usual finding shelter in the Democratic Party, proved untrue again, just as they have proved untrue since the days of the founding of the Republic, when it was argued by free traders that we ought not to start any factories in America because this would interfere with farming.

Every time there is a proposal to revise the tariff the free traders rallying around the Democratic Party, and the Democratic press, become very solicitous about European trade and the welfare of Europe. They seem to think that this international view makes them broad minded. Well, it may make them broad minded, but it does not give them any depth.

And so they charged that this abominable tariff bill of 1930 was the highest in all history, so high that it would dry up our foreign trade and bring us the enmity of the rest of the world. Now, what are the facts about this tariff? Does it build a tariff wall which shuts us off from the rest of the world?

It is pretty generally agreed that the tariff law of 1922 was no longer protective in many schedules. Yet of the 3,295 items in the old tariff law, 2,170 were left unchanged. Duties were increased on only 890 articles; they were decreased on 235. Duties collected on all items in the tariff schedules average about 16 per cent as compared with 14 per cent under the tariff of 1922 and 23 per cent under the McKinley law. And then stop for a moment to consider that under the Wilson tariff law—that masterpiece of Democratic statesmanship back in Coxey's army days—the duties collected averaged 21 per cent, or 5 per cent more than under the iniquitous tariff law of 1930!

Of the tariff laws passed in the past 40 years, only two have had lower average tariffs than this—the Underwood law and the law of 1922, which has just been repealed by the new act.

Furthermore, the percentage of our imports entering duty free under the new law will be about the same as under the law of 1922, and this is about 64 per cent. Only about a third of our imports pay duty, anyhow. So much for this high wall which the Republican administration has erected to shut us off from the outside world.

The new tariff law will help America, not by erecting an unscalable wall, but by giving to the farmer and the other producers who needed it an additional protection by putting them on equal terms with the producers in the rest of the world.

Then there has been great agony among our free-trade Democratic brethren because we are imposing handicaps

against the business men of other lands. These foreign producers are philanthropists. They keep their labor ground down to a starvation wage just for the purpose of reselling us goods at low prices. And they are grievously pained that we are unfeeling enough to erect any tariff barriers seeking to protect the standard of living of our American producers, so they would have us believe. Yet, what are the facts? You will be surprised to hear them. Official Government figures covering imports last year show that Uncle Sam collects less than half as much per capita in tariffs as does "free trade" Great Britain, less than half as much as "abused Argentina," less than half as much as Norway, and less than other nations our Democratic friends have been pitying so much. We have heard a great deal of how Canada will suffer because of the barriers erected by our new tariff. Yet mark this: Under our new tariff we will collect just about one-fourth as much tariff per capita as Canada collects and about one-fourth as much as Australia.

The official figures of our Government show that under the new tariff law based on 1928 imports we will collect about \$5.17 per capita. Now in 1928 Australia collected \$22.65 per capita, Canada \$20.46 per capita, Norway \$10.49 per capita, Argentina \$11.68 per capita, and the United Kingdom \$12.86 per capita.

Under the new tariff law, based on 1928 import figures, our tariff collections will be 15.43 per cent of the value of our total imports, while Australia's collections will be 20.31 per cent of the total value of her imports as of June 30, 1928, but much higher under the Australian tariff law now prevailing. Canada's collections will be 15.84 per cent of the total value of her imports; Argentina's 16.13 per cent; Poland's 13.31 per cent; Italy's 11.8 per cent; Norway's 10.79 per cent; United Kingdom's 10.08 per cent; and Spain's tariff law is twice as high as that of the United States. Our country seems to have, under the law of 1930, less than the average world tariff, though it is the only country with so high a wage standard, therefore, having real need for a protective tariff based on its higher standard of living while Europe does not.

It is to be remembered, too, that European countries have many methods of handicapping foreign as compared with domestic commerce, and these practices are not in vogue in the United States. Yet we will have all this propaganda about retaliation by foreign nations who already restrict foreign commerce more than we do.

If these foreign nations want to induce us to lower our tariffs, let them raise the wages of their workmen to the American standard so that we will not need protection. They will then find, too, that they have created a real market at home just as have the producers in the United States. But they will not do it.

In view of the facts, why have we then had this vicious misrepresentation of our new tariff? The reason is not hard to find. The simon-pure theoretical free-traders are no longer numerous enough or powerful enough to do it. The attack has come not only from importers, anxious to dominate the great American market, but from American internationalist capitalists who have now invested so much money abroad in European industries and European production that they are chiefly interested in a return on their foreign investments and are willing to turn the rich American market over to the poorly paid laborer of Europe and the pauper labor of the Orient in order to get dividends from abroad.

They will not be successful, but if they were they would only be killing the goose which laid the golden egg; for the destruction of American production by foreign competition would also destroy the great American market which is created by our prosperous people, and there would then be no great buying power in America for the internationalist capitalists to exploit with their cheaply made foreign goods. If European interests could only see it, they would realize that their market in America depends not on idle American factories but on a prosperous American people who are able to buy American-made goods and oriental and tropical lux-

uries and necessities only because they are well employed at a high wage. That this is true is evidenced by the fact that since the industrial slump in America this year our purchases of foreign goods have greatly fallen off. Our foreign trade increases only when our people are busy and prosperous.

The argument that the tariff increases the cost of living was proved fallacious by the results of the 1922 tariff, which gave us protection following the Democratic Underwood law. Living costs declined, and declined because production and competition were stimulated at home. And, strange to say, the increases in prices which came were in nearly every instance on commodities which came in duty free. Take rubber and coffee, for instances. In these two commodities foreign interests were able to regulate the price and charge Americans what they pleased. The reason was that Uncle Sam could not produce these articles for himself and was at the mercy of foreign production. The question of tariff did not enter in. We all remember the crude-rubber combination which was checkmated by these wise policies of President Hoover, then Secretary of Commerce.

The theory that our protective policies interfere with foreign trade was disproved, too, by the tariff of 1922. Our foreign commerce flourished and grew on protection. The old argument that we must buy from each individual nation as much as we sell is outworn. Foreign trade is no longer a question of trade between any two nations. For instance, we may sell more to Great Britain than we buy from her. On the other hand, Great Britain may sell more to Brazil than she buys from Brazil, and we, in turn, may buy more from Brazil than we sell to her. And so all around the world. It is true that our exports have steadily exceeded our imports. Yet we have not succeeded in acquiring all the gold in the world. For there is an invisible flow of wealth from America. Each year our tourists spend millions upon millions in foreign lands and aliens in America send back to the old countries additional millions to relatives and friends. So when the year is over the books just about balance, and the old Democratic theory of how our protective tariff upsets the balance of world trade proves to be just so much more bunk.

And, above all, it is to be remembered that practically 90 per cent of our production is consumed in the United States. Why should we, then, in a vain and elusive effort to increase the 10 per cent, let go of the 90 per cent, comprising the greatest and richest market in the history of the world? To do so would be about on a par with the action of the stupid mastiff who saw his reflection in the water and dropped the piece of meat he was carrying in a vain effort to get a bigger one.

The fact is that the productive theories of America and Europe are different. We produce primarily for home consumption, because we have a great market of more than 120,000,000 prosperous people. We believe that by paying high wages and constantly increasing the standard of living we increase the demand for our goods at home and make our people happier and more prosperous, giving them constantly more and more of the good things of life. In Europe production is based on foreign trade. The home market is neglected and everything is designed to sell abroad. Consequently the great aim is cheapness in order to undersell the other fellow. And to produce cheapness there must be the lowest wage scale possible with human existence. We believe our theory is the better one and we do not intend to risk it by lowering the barriers to permit an inflow of goods produced at starvation wages in Europe.

Now, do not misunderstand me. I am not decrying foreign trade. We must and will increase our foreign trade, but not at the sacrifice of the home market. We will be able to compete abroad because our tremendous output, designed to supply the great purchasing power in America, will enable us to compete with our European friends.

But, after all, the great future of our foreign trade is not in Europe. It is in Latin America, in Japan and China, Australia and the Orient. Here is the great market of the future, and in developing it along sound, constructive lines

our ports on the Atlantic and the Pacific will become bigger, better, and finer in every way.

In spite of the protective tariff law of 1922, the Nation last year ran into a business recession. The reason is not hard to find. With the increasing wage scale in America and the increasing efficiency of production in Europe, the time came when the rates in the law of 1922 were no longer sufficient to give the American producer an even chance in our market in the face of mounting European production. This was true not only of manufacturing but in an equal or greater degree of agriculture.

The proof of this statement is not hard to find. Go into any store and examine the goods sold in the various departments. Note how much of it has been manufactured in Great Britain, Czechoslovakia, in Germany, or in Japan. All of these wares signify American workmen out of jobs and American money flowing into Europe. Small wonder, then, that at last business slumped and a new tariff law was necessary. Indeed, the necessity was envisioned long before the slump came, and had the new tariff law been passed as expeditiously as it should have been passed, the depression would have been lessened and we would have got on to the high road of recovery much sooner. This holding up of the tariff remedy was not due to the Republican administration, my friends, but to the organized minority in Congress, aided and abetted by the free-trade press, the importers, and the American international capitalists who have of late been investing their money in European production.

In the past seven years our imports from Germany and Czechoslovakia more than doubled, from Italy the increase was 83 per cent, from Belgium 37½ per cent, from Spain 25 per cent, from Switzerland 25 per cent, and from France 20 per cent. This in spite of the charge of the Democrats that our 1922 tariff would kill our foreign trade. No wonder, then, that in 1930 tariff adjustments were badly needed.

Now, will the new tariff help the producer in the city and the producer in the agricultural districts? There is no doubt that it will. During the long months of the tariff fight great quantities of foreign goods were imported in anticipation of high tariff rates on certain commodities. As soon as this surplus is absorbed there will be a quickening of our own industry. Indeed the signs are already noticeable. Slowly but gradually business is beginning the long pull upward again. Take the case of the American pottery industry, for instance. For years it has been unable to compete with the cheap wages of Germany and other countries of central Europe. But the new tariff law has afforded the pottery industry some relief, and according to officials in the industry there is already a quickening in the business, and plants, long idle, are beginning to resume activities and give jobs to hundreds and thousands of American workmen who have been idle for months. The reason why protection is needed may be given by citing this pottery industry as an example. To run a pottery tunnel kiln in an American plant requires 10 men at an average wage of \$5 per day. In Germany such a kiln is manned by two men at \$1.25 each a day and 10 women at 50 cents each per day, or a total of \$7.50 a day. There are three solutions to this problem. The American plants must close down, must reduce wages to the European level, or must get a tariff equalizing the cost of production at home and abroad. The Republican way is to raise the tariff, keep the mills open, create jobs for American workers who can in turn buy the products of other American industries, and the beef, butter, eggs, and fruit raised by the American farmer.

What is true of the pottery industry is true of many others. Using the year 1913 as a basis, with its figure 100, our industrial wages had risen by 1926 to 229 and were still increasing, so adding to the purchasing power and standard of living of the American worker. Union wages had advanced to 260. European wages, always below those of America, have advanced comparatively little at the same time, and the wages in Japan and the Orient are still lower. Either American wage earners must be protected, or they must sink to the level of European standards of living.

Now, how about the farmer? Our Democratic free trade brethren claim that he is compelled to buy in a protected market and sell in a world market, and they have shed many alligator tears over this statement. Yet it is not entirely true. Everything which is used exclusively on the farm is on the free list and has been for years. The farmer has long been given favored treatment in this respect.

Wheat is always cited by the free traders as the product which the farmer must sell on the world market. It is true that when the American farmer raises a big surplus of wheat, the price he receives for it is governed by the European market. And yet, according to data furnished by the United States Tariff Commission, from 1921 to 1929 the American farmer on the average received 18 cents more per bushel for the same quality of wheat than his Canadian neighbor. And in the price of livestock and meats the comparison has always been in favor of the American farmer. For example, the price of American wool in the Boston market from 1921 to 1930 has averaged from 16 to 19 cents per pound higher than the price in London, according to Tariff Commission figures. America has been importing too many agricultural products which should have been raised on the farms of America. Corn, meats, eggs, butter, cheese, vegetables, fruits—there are many of these. After the passage of the tariff of 1922 the imports of these products fell off appreciably. But they have increased until increases in the farm tariff were vitally necessary. These increases are provided for in the new tariff law. The farmers got all they asked for in the way of added protection.

But, our Democratic friends cry, some of the schedules are not exactly right. We may grant this. In the passage of a great measure covering every industry in the country, it is possible that errors have crept in. But it is not to be forgotten that under this same bill the President is authorized, through the Tariff Commission, to collect data and information on tariff schedules and to make adjustment of rates where these are necessary. What could be fairer than this?

Ah, my friends, the enemies of the protective tariff law in America are not looking for something fair. Hiding their real purpose behind a pseudo interest in what they call the "poor consumer," as if most consumers were not also producers in America, they are seeking to destroy the American standard of living, and to create a world level so that internationalism may at least take the place of the American idea which is founded on more than a century and a half of successful effort. All of the internationalists of every stripe, the debt cancellation, the League of Nations advocate, the free trader, the pacifist, will be found lined up against the American system of protection. I think their ideal has been expressed in a newspaper article I read the other day of a mythical but typical internationalist college professor. Here is the story:

One of those thousand college professors who recently joined 40 other unselfish foreign powers in protesting against any increase in the American protective tariff, the other morning threw off a sheet made in England by workmen receiving half the American wage, drew on a pair of socks made by French workmen receiving 40 per cent of the American wage, cotton underwear made by East Indian workmen at one-tenth the American wage, a pair of shoes made by Czechoslovakians working at one-fourth the American wage, put on a suit of clothes made of cloth woven by Scottish workmen receiving 30 per cent of the American wage, and a hat made in Italy by workmen receiving 25 per cent of the American wage, took up a walking stick made in China by coolies receiving one-tenth the American wage, and repaired to a store where he bought his wife a set of dishes made by Japanese toilers receiving one-eighth the American wage, then ordered up a few tons of Russian anthracite coal mined by soviet serfs working at 50 cents a day, and noticing on his way home a number of idle American textile workers, hosiery, pottery workers, shoe workers, hat makers, miners, and the like, sent in his membership to an organization engaged in securing social justice for American toilers, and started a learned brochure on The Cause and Cure of Unemployment in the United States.

FARM RELIEF

One of the questions we hear asked most frequently to-day is "What is the Government really doing for the farmer?" And it is a fair question. The farmer has suffered longer than any other class of our producers from the postwar deflation, and the end is not yet, although it is to be ex-

pected that as general conditions improve again the condition of the farmer will improve too.

The Government has always been diligent in helping the farmer, and never more diligent than it is to-day and has been since the present Republican administration went into effect. First, it is to be remembered that the greater part of our agricultural land to-day was distributed either free to the first settlers or sold at a price approximating a dollar and a quarter an acre. This indicates that the Government early appreciated the importance of building up a great agricultural and livestock industry in America. The brave men who received this land in the first place were, of course, entitled to it. Without them we could not have developed this great country which we have to-day. This fact is so evident that I think it hardly necessary to discuss it.

And in an increasing measure down through the decades, as our agriculture has developed, the efforts of the Government to assist it have redoubled. I need not remind you that one of the greatest and the busiest, as well as the most effective of the Government agencies at Washington, is the Agricultural Department. Its efforts to help agriculture are widespread. It assists in the developing not only of the farming industry but of the livestock, the fruit-growing and similar industries. It is constantly experimenting to provide better seed and better fertilizers for the farmer. It sends its agents all over the world in search of crops which will be adapted to increasing the profits of the American farmer. It constantly experiments in its efforts to improve farming methods. It seeks to assist in the marketing and distribution of crops by promoting better highways, and agricultural agents all over the world are seeking to gain information on foreign crops that will better enable the American farmer to direct his production along proper lines.

In short, the activities of the Department of Agriculture have been divided into seven classes—research, extension, information, eradication or control of plant and animal diseases and pests, service activities such as weather and crop reporting, the administration of forest and wild-life refuges, and the development of market-road programs. And in its various activities the department cooperates with other governmental agencies which can in any way assist in improving the status of the farmer.

For example, the Government is now setting up in various parts of the world crop-reporting stations. This is the result of work of a special committee appointed by the new Federal Farm Board to study the foreign needs of the Department of Agriculture. The committee, composed of eminent men, decided that one of the greatest needs was permanent foreign market reporting stations. The committee found that at least 10 foreign posts would be needed to keep the American farmer informed on the world condition of important crops. These posts as suggested will be at London, Berlin, Marseilles, Copenhagen, Bucharest, Buenos Aires, Melbourne, Johannesburg, and Shanghai.

The committee points out that the farmers need this service for several crops which meet foreign competition. For instance, the wheat farmer should have real inside information about the wheat crops in Canada, Argentina, Australia, and other important wheat-producing countries. He should know about the quality as well as quantity of foreign wheat. American apples and other fruits, as well as cotton and tobacco, meet foreign competition, and our apple growers, as well as our wheat growers in our own Northwest, will benefit from this new service. So will the farmers who produce the stock that goes into our meat products.

But, you may say, this is fine, and the Department of Agriculture has been widening and extending its service for years. What has the present administration, of which you are a part, done for the farmer? I think the question is a fair one, and I will endeavor to answer it as fairly as I can in the brief time at my disposal.

I think it will be admitted that one of the farmer's chief problems is the financing and orderly marketing of his crops. Loans have been made possible in the past to farmers at low rates of interest, and these have been of great

benefit, but I believe that the agricultural marketing act, passed by Congress in this administration and signed by the President, is, perhaps, the most important piece of legislation ever enacted by our Government for the farmer. But to summarize briefly: This administration, in keeping its pledges for farm relief, has taken four steps. First, it has created the Federal Farm Board to assist the farmer's own marketing organizations and has enacted other legislation to govern the distribution of perishable farm products. Again, it has helped the farmer by affording him more tariff protection. Again, it has launched a program for the improvement of inland waterways so as to provide cheaper transportation for the farmer's produce to primary markets. And, lastly, it has increased the Federal appropriations for improved Federal highways.

The new act has provided the Federal Farm Board with a revolving fund of a half a billion dollars to help the farmer-controlled marketing institutions provide for a wise marketing of the crops. The farm marketing agencies are being reorganized and consolidated and made into national institutions to handle the marketing of wheat, cotton, wool, and other great American commodities.

Already a great deal has been accomplished in this respect, but a great deal more remains to be done. It is unfortunate for immediate results that the new system was put into effect necessarily at a time when the various nations of the world were in a state of business depression, but I am confident that my statement made to you a few moments ago, as to the importance of this act to the farmers, will in time be fully demonstrated. Broadly speaking, the purpose of the act is, through the Farm Board, to minimize speculation in agricultural products, promote efficient and less wasteful methods of distribution, encourage the organization of cooperative marketing associations as a price-stabilizing factor, and to help prevent surpluses in orderly distribution and production, so eliminating so far as possible undue fluctuations in prices. In concluding my remarks concerning this Federal farm aid act, let me remind you, in the words of one of the pioneers in this movement, that this effort to organize the industry which feeds and clothes America is a pioneer movement just begun. In conformity with the expressed purposes of the law, the Federal Farm Board has laid down a forward-looking program which contemplates the cooperative organization of agriculture by commodity groups. And while this act will eventually maintain a fair and just price level, assuring the farmer a proper return on what he raises, let me state to my hearers who live in the city that this act does not contemplate an increased cost of living but an increase in the buying and earning power of the American farmer, without whose prosperity our industry and labor must suffer.

I think it is unnecessary for me to dwell upon the development of inland waterways and market highways. The value of these developments is too well known to need more than mention here. Sufficient to say that this administration has greatly enlarged the program for inland waterways and for highway improvement.

Now, let me say a few words about the relation of the new tariff to the farmer. Broadly speaking, the rates on farm products in the new law are the rates asked by the representatives of the farmers themselves. Rates on farm commodities, on the whole, were increased 51.6 per cent, while the increase in industrial products was but 14.6 per cent. Not only is this true but it remains equally true that all things which are used exclusively by the farmer on the farm continue on the free list. In the light of these facts the old Democratic cry that the tariff does not help the farmer seems a little far-fetched, to say the least.

If you are one of those who do not believe that the tariff can help the farmer, just consider that the new law provides increased duties on agricultural commodities, of which we imported in 1928, \$287,000,000 worth in the raw state and \$333,800,000 worth in what is called the first processed form. In other words, we imported agricultural products in the sum of \$620,000,000, on which the new tariff will give the farmer additional protection.

Among the important agricultural products on which duties have been raised are cattle, meats and meat products, hides, wool, flaxseed, soybeans, butter, cheese, milk, casein, eggs and egg products, a large variety of fresh fruits and fresh vegetables.

And it is no argument to say that what he gains has been nullified by higher prices that he must pay on things he buys. In the first place, prices are no higher now than before the passage of the tariff bill. Sugar is a case in point. It is now selling at the lowest price since the foundation of the Government, and that in the face of an increase in the sugar tariff. But even aside from that, the statistics show that 50 per cent of the things the farmer purchases are commodities produced by American agriculture itself; 39 per cent of what he purchases, including practically everything used exclusively by farmers, is on the free list. This leaves only 11 per cent of his expenditures for commodities which are affected by a tariff and of which he is not a producer.

MERCHANT MARINE

Our growing merchant marine is an institution which is dear to the heart of every patriotic and far-sighted American. Although for a long period it had almost disappeared from the high seas, our merchant marine is a historic institution. It originated in colonial times, and indeed one of the chief causes of difference between the colonies and the mother country during the stormy days before the Revolution was that of a shipping policy. England wanted to keep the shipping business for English vessels, while the colonists were determined to have shipping of their own.

After the Revolution and up to the time that steam became a principal motive power on the seas the American merchant marine grew steadily. This was one of the happiest periods of our marine career. The Yankee clipper ships were the pride and joy of every American heart. They sailed every sea, manned by hardy and venturesome Yankee sailors, and they unfurled Old Glory to the breezes in every clime. Then came the Civil War, a time when the efforts of the Federal Government had to be directed entirely to the task of saving the Union. Confederate privateers built in England and France preyed upon Union commerce, and during those four dark years of civil strife the American merchant marine seemed to have had its deathblow.

In the years of reconstruction nothing was done to build up our merchant marine. Occasionally prophetic voices would be heard in the Halls of Congress predicting dire disaster unless something was done toward reconstructing our merchant marine. But nothing was done, and it took a great World War to bring us to our senses in this respect. Then the need of a big American merchant marine was immediately visualized, at a time when it was almost too late. Feverishly the National Government went to work to build a marine. Hundreds of millions were spent, and costly mistakes were made, some of them almost ghastly errors. Who, indeed, has forgotten the fiasco of the wooden fleet which was to do great things but proved only to be a costly mistake?

When the war closed and we began to count the cost, it seemed that our young merchant marine, built by the Government itself at so great a cost during the days of the war, was to disappear again. But there was wise statesmanship in the Republican administration of reconstruction days that determined that this must not be so and that Uncle Sam should have a real merchant marine which should be privately owned and operated, with whatever assistance the Federal Government should legitimately give it. And so private shipping companies were encouraged, new trade and mail routes were created, and our merchant ships were sold to private shipping lines flying the American flag as rapidly as this could be done.

This brings us down almost to the present. The last platform of the Republican Party, adopted at Kansas City in 1928, said:

The Republican Party stands for the American-built, American-owned, and American-operated merchant marine. The enactment of the White-Jones bill is in line with a policy which the party has long advocated.

Under this measure substantial aid and encouragement are offered for the building in American yards of new and modern ships which will carry the American flag.

The Jones-White bill is the most constructive bit of merchant-marine legislation which has been enacted in the United States in a century, and its functioning has been made more efficient by President Hoover in appointing an intradepartmental committee of Cabinet officers and the Shipping Board. As a result great progress has been made in the forming and mapping out of overseas steamship mail routes, and in stimulating ship construction in the United States. Seventeen routes have been established since the Hoover administration went into office, and these require the construction of 51 new ships of 467,500 gross tons and a cost of nearly \$200,000,000. These ships are to be built within the next five or six years and in the fleet will be some of the largest and fastest ocean liners in the world. And the additional cost of mail contracts which makes all these additions to our merchant marine possible is only something like \$5,000,000. In its policy of selling Government-owned ships to private ownership the Shipping Board is continuing its constructive work, and during the past year and a half has disposed of 189 ships for more than \$12,000,000, the vessels going to shippers who promise to operate them under the American flag.

Now, what is this Jones-White shipping bill? It seems hardly necessary to answer this question for a ship-minded audience of Portland citizens. By the establishment of mail routes and the letting of long-time mail contracts and by long-time loans to shipbuilders it has brought about this tremendous revival in the American merchant marine.

The figures of our marine development are astonishing and ought to bring pride to every American heart.

In 1914 six American-flag ships of 70,000 gross tons were in operation in the European trade. At the present time 230 American ships of a million and a half gross tons are employed in European service. In the South American trade in 1914 we had 5 flag ships of 23,000 gross tons and now have 90 ships of 550,000 gross tons. In 1914 we had no ships going to Africa, and now we have 22 vessels of 125,000 gross tons in the African trade. On the Pacific coast we have developed from a total of 5 ships, so that now 140 ships of a million gross tons are employed in our foreign trade.

At this time American companies are operating 83 regular-line services employing 671 ships of 3,866,000 gross tons, and there is also in operation the American-flag tanker fleet of 259 vessels of 1,712,000 tons, so that we now have a total fleet of 940 vessels of more than five and a half million gross tons operating in foreign and noncontiguous trade service.

Now, one may well ask, Just what is the benefit of a big merchant marine to our country, anyway, and why should the Government assist its development? The answer is not hard to find. A merchant marine, big and active, is of vital necessity to the welfare of the Nation in time of peace as well as in time of war.

The merchant marine is essential in time of war, because it acts as an auxiliary service to our Navy, a service without which the efficiency of the Navy would be reduced to a minimum. Our national safety, therefore, demands an efficient and sizeable merchant marine.

But the demands of peace are fully as important. We need a merchant marine to encourage and develop our foreign trade, to prevent our suffering in time of world-wide ship shortage due to war, in which we may be a neutral power, and to prevent unfair shipping rates.

Of course, British and German ships will be glad to carry our commodities to all parts of the world. But British and German marine officers are naturally and justly interested in their own countries first and will seek to promote the foreign trade of their home countries to the detriment of ours. We, therefore, need marine officers who will look after the interests of our producers first. The soundness of this argument is proved by the fact that since the war and the development of our new merchant marine, while our foreign trade with Europe has increased 50 per cent, our trade with South America has increased 200 per cent; with

Africa, 325 per cent; and with Asia, 380 per cent. In this conjunction let it be remembered that before the war 90 per cent of our foreign trade was carried in foreign ships. During the past 10 years 35 per cent of our foreign trade has been carried on American ships, and the percentage is steadily increasing. It will soon reach 50 per cent.

Now, in case of a world shipping crisis brought on by a foreign war in which we have no part, foreign shipowners would naturally look after the interests of their own countries first. Had we no merchant shipping of our own, it might easily turn out, therefore, that the products of our own farms and factories might be left rotting on the wharves while foreign ships were looking after the requirements of their own countries. With a big merchant marine of our own such a calamity would be impossible.

Again, it is easily possible, were there no American merchant marine, for a combination of foreign shipping interests to gouge the shippers and producers of our own country by means of high rates. This idea is not as visionary as it sounds. We remember what the foreign rubber interests tried to do to us a few years ago. We broke the combination by cutting down our use of rubber. But the same remedy would not apply in the case of Shipping Trust, because refraining from foreign trade to beat the foreign ship combination would be a disastrous procedure. The best way to prevent such a condition of affairs is to keep developing our own merchant marine.

There is one other phase of the situation important to us, and that is that the development of our marine promotes the shipbuilding industry on the Atlantic and Pacific coasts. This has already been brought about, and reports of the United States Shipping Board show that never before in peace times has there been so great a development of our shipbuilding industry as at present. And increased activity in our shipyards, it is to be remembered, brings increased activity to other industries all over the country, for nearly every State in the Union is called on to contribute materials which go into the building of our ships.

ECONOMIC CONDITIONS

During the past few months the United States has been going through a major economic depression, the first we have been called on to undergo for nearly 10 years. During the past seven years, up until last fall, we had been in the midst of unparalleled prosperity. It is unnecessary for me to recite the history of the depression which struck us, unexpectedly in most instances, just about a year ago.

This depression, in which we now seem to be in the final stages, differs somewhat from many of the depressions in the past, in that its causes are to be found in part outside the United States. In other words, the depression and the slump in commodity prices is world-wide.

In fact, with the single exception of France, the United States was the last nation to feel the depression. That the depression is world-wide is evidenced by an examination of conditions in other countries. The two greatest trading nations in Europe, perhaps, are Great Britain and Germany. And we find that in these countries conditions are much worse than in the United States, and have been for a long time. France is just now beginning to feel the full effects of the world-wide let-down in business, although its business has been steadily declining for months.

The slump in commodity prices came in most countries early in 1929, and this was followed in each instance by a slump in foreign trade. For example, in January, 1929, Great Britain exported 383,000,000 square yards of cotton goods. Then the slump hit her, and the exports went steadily down until in July of this year they amounted to barely 200,000,000 yards. Unemployment in Great Britain and Germany has been steadily growing. In the Western Hemisphere we are not the only nation to feel the effects of the slump. Canada reached its high point in January, 1929, and then commenced to slump, months before the depression was noticeable in the United States. Conditions in Cuba and the nations of South America have steadily grown worse, too.

The effects of the depression have been political as well as economic, and have in many instances resulted in revolution. In Great Britain the same labor government is still in the saddle, but principally because, perhaps, no other party now wants the responsibility of government. In Germany the hard times have resulted in a great increase in the Fascist vote, so that Adolph Hitler and his National-Socialist Party are now second in strength in the Parliament and are now crying loudly for a revision of the war settlements.

There has been unrest in Spain, Rumania, and many other European countries, an upset of the government in Austria, and many crises in the Balkans. Turning to South America we find even more tangible results of this world-wide depression. First came the downfall of President Leguia, dictator of Peru, an extraordinarily able man, who was sacrificed, however, to the revolutionary spirit of the times. Then came the revolution in Argentina, with a complete overthrow of government, and lastly the present revolution or civil war in Brazil, the end of which is not yet. In each instance the trouble was the result of bad economic conditions. The situation is serious in Cuba, too, where many of the constitutional guaranties have been suspended by the government.

Now, in America we do not change our Government by revolution when hard times come upon us. But a great many of the unthinking ones this year have sought to place the blame for this world-wide depression upon President Hoover and the Republican administration. The attempt is ridiculous and illogical, although it seems to be inevitable in a political nation like our own.

Some of the Democratic leaders have not only blamed the administration but have gone further and blamed the new tariff, although this was not enacted until months after the depression was fully upon us; not, in fact, until the bottom of the business slump had been reached.

The truth, of course, is that had it not been for the quick and decisive action of President Hoover when the slump came into full fruition with the stock-market crash conditions would be much worse than they are to-day.

The President, it will be remembered, immediately called to Washington the representatives of the great railroads, the great manufacturing industries, the great utilities and labor organizations of the country, and organized the Nation so that it might so far as possible survive the shock and throw off its effects without undue delay. The business heads promised to go forward with constructive programs and not to reduce wages. The labor leaders agreed that there would be no strikes for higher wages during the critical days. And the national, State, and local governments agreed to cooperate in pushing great public works during the depression in order to keep as many men employed as possible. Income-tax cuts were made to restore confidence and ease the burdens of business.

Everyone has cooperated, with the result that we have gotten along much better than might have been anticipated. I do not say that we have not had hard times, or that we do not have great unemployment, but I do say that we are infinitely better off than any other nation in the world, and that we would have been much worse off had it not been for the decisive action of President Hoover during those critical days and the fine cooperation which he received. I agree with Secretary of Labor Davis who said recently:

The old sweeping lay-offs and wage slashes have not been resorted to in this period of depression. The leading employers and the leaders of labor called into conference by President Hoover agreed to maintain employment and institute no new wage demands. It was a mighty effort at stabilization, and while it did not stave off some measure of the depression it did prevent the country from hitting the bottom as it has in every instance before. In due time this application of wisdom and effort must bring a return to normal conditions. But until that occurs we must exercise patience, we must share each others' burdens, and we must pull together for the common end.

Of late a wave of pessimism has swept over the land. Many of us have become just as unreasonably pessimistic as we were optimistic a year ago, when some people seemed to believe that the rise of values would never end. Now there are apparently as many who believe that values will

never rise again. Let us remember, therefore, that we have the same country, the same resources, the same energetic, intelligent people, the same potential buying power that we had a year ago, when it seemed that we could never be stopped. Now, what is to prevent us from once more getting on the high road and resuming the march of progress and prosperity?

Our friends, the Democrats, may rail against President Hoover and the present administration, blaming him for an economic condition which is world-wide and due to inevitable postwar deflation; they may even blame President Hoover and Congress for the great drought which has stricken so many parts of the country and added to the general depression. But until they offer some constructive remedy of their own—a thing which they have not done up to this time—we will have the right to put their wailing down to the requirements of political strategy. The Republican Party never has based its hope of victory on calamity. It has always been a constructive force and has left the criticism to the opposition. It does not claim now that everyone is prosperous and happy. But it does believe that the way of President Hoover in organizing and securing cooperation and promoting confidence is a better way to end depression than the Democratic way of sitting back and gleefully pointing to the unemployment figures as though some great political enjoyment were to be derived from national misfortune.

There are some good reasons for believing that the worst of the depression is over. Retail buying is picking up, car loadings are increasing, and there is more building of homes now than for many months. Most important of all, commodity prices seem to be stabilizing themselves and building a foundation from which there can be an advance in the near future.

In the meantime we can all pull together and vote to support the President in his constructive efforts, looking calmly into the future, relying upon the fine patriotism and progressive spirit of the American people.

IMMIGRATION

Ever since the Republican Party came into power nationally, after the close of the World War, one of its policies has been the progressive application of the principle of restricted immigration. That such a policy has been not only constructive but, in light of recent events, essential to the well-being of our country can be easily demonstrated. In starting out on the subject, however, it might be well for a moment to review the history of our immigration from the founding of the Republic. Some of the Colonies had immigration restriction, based principally on religious issues, but it is safe to say that during the first century of our national history, following the Revolution, immigration was for all practical purposes unrestricted.

Before the year 1820 no official record of our new citizens from foreign lands was kept at Washington, but it is conservatively estimated that from 1783 until 1820 approximately 250,000 immigrants came to the United States; certainly not a great number for a period of nearly 40 years. And, indeed, immigration from 1820 to 1840, though steadily increasing, was moderate, never reaching the figure of a hundred thousand a year. But after the latter date immigration increased rapidly. The potato famine in Ireland in 1846 was followed by a tremendous wave of immigration from that country, and revolutionary and political troubles in Germany brought successive waves of Teutonic immigration. During this period many families came from England, Ireland, Scotland, and Germany, whose sons were in later years to loom large and honorably in the history and in the development of our country.

Then the Civil War came, and immigration was temporarily interrupted, as it was to be interrupted later during the World War. But after the Union was restored immigration grew rapidly again and on an enlarged scale.

In short, there have been five waves of immigration to the United States. The first came from Great Britain and Ireland but was intermingled with a large percentage of Germans. The second consisted of subjects from the Brit-

ish Isles and Germany, with a mixture of Scandinavians. The third wave, which reached its crest early in the eighties and began to recede after 1892, was composed largely of British, Germans, and Scandinavians, with a mixture of immigrants from southern and eastern Europe. The fourth wave, extending from 1903 to 1914, brought few people from the British Isles and northern Europe but a great wave of immigrants from southern and eastern Europe. Immigration was again interrupted by the World War, but, following the close of this struggle, commenced the fifth and final wave, again principally from eastern and southern Europe. This wave doubtless would have become an overwhelming flood had it not been for the application of the principle of restrictive immigration.

The first attempt to restrict immigration came in 1882, when Congress passed two bills. The first was the Chinese exclusion act, still in force, and the second was the first general immigration law excluding foreign convicts, idiots, lunatics, and those who might become public charges. Then came the first quota immigration law in 1921, made necessary because it became apparent that with Europe impoverished by the World War we might soon be overwhelmed with a flood of immigration which would eventually impoverish us. That this law was necessary is indicated by the fact that European immigration jumped from 24,600 in 1919 to 625,000 in 1921. The law of 1921 was superseded by the present quota limit act of 1924, which limits the quota from all countries combined to 164,667.

Now, let me say a few words as to the good which has been done by these laws passed during the past decade. It may be necessary to quote a few figures, but I will be as brief as possible in order not to tire you.

Before the World War immigrants were coming at the rate of over a million a year, the total number admitted in 1914 being 1,218,480. Then following the World War the figures were again approaching the million mark with prospects of going much higher. In 1921, prior to the per centum limitation act, the total figure from all continents was 805,288. Following the passage of the act the number dropped to 309,556 in 1922.

In 1925, following the passage of the present quota law, the total number of alien immigrants admitted was 294,314, dropping from 706,896 the year previous. For it is to be remembered that immigration has not been restricted by quota so far as citizens of the nations of the Western Hemisphere are concerned. Of this total in 1925, 50 per cent came from European countries, nearly 43 per cent from northern and western Europe, and 7.9 per cent from southern and eastern Europe. The proportion of northern European immigration was greatly increased, while that of eastern and southern Europe decreased.

The total number of immigrant aliens during the last nine fiscal years, 1922 to 1930, was 3,301,981, or an annual average of 366,887. The yearly average for the three years 1922 to 1924 was 513,124, and during the last six years only 293,768.

Now, judging by the immigration figures of the pre-war years and of the year 1920, just previous to the passage of the first restrictive immigration act, it can safely be assumed that at least 6,000,000 immigrants would have come to the United States from Europe alone since 1921 instead of the 1,825,000 that actually have reached our shores. And not only has there been a decrease in immigrants since 1921, but the percentage of common or unskilled workers had dropped from 55 per cent in 1914 to 28.8 per cent in 1930, indicating that under our new laws the quality of immigration is increasing just as the quantity is decreasing.

It is not hard to visualize what would be the situation in our country to-day had unrestricted immigration been allowed to stand. We would have had at least 5,000,000 and perhaps 6,000,000 or 7,000,000 more idle workers in the country to-day than there are at present, when, for the time being, there are not jobs enough to go around. This is a picture which we do not like to visualize, and a situation which we do not like to dwell upon. Certainly the restrictive immigration act has been a blessing not only to our Ameri-

can workingmen but to the institutions of the country as well.

In fact, further immigration restriction now seems necessary, because of temporary economic conditions, and President Hoover recently very wisely took steps further to cut down immigration with a view to aiding the unemployment situation in our country. The President announced that the State Department, through its consular agents abroad, would refuse visas to alien laborers seeking work in this country. This action is to be taken on authority of the law which permits exclusion of immigrants who are liable to become public charges. In normal times the applicant for admission to the United States, who is an able-bodied person with means to support himself until he gets to the United States, is admitted, if he comes within the quota. But in abnormal times, like the present, when there is no reasonable prospect for employment, the visa will be refused.

The State Department has pointed out that by enforcing this section, and other sections of the law, immigration from Mexico, hitherto unrestricted, has been greatly reduced during the past year. I think you will agree with me that we do not need much immigration while there are American workers out of jobs.

I favor the enforcement of the restrictive immigration law and its strengthening wherever and whenever the wisdom of experience gained by its operation shows that it should be strengthened. In taking this stand I do not wish to be thought chauvinistic. I do believe that the United States is the finest country on the earth and that its civilization will match any other civilization in the honesty, industry, intelligence, and morality of its citizenship. I do not, however, want to be interpreted as asserting that we are better than the other nations of the earth. I am willing to concede that in the other civilized nations there are citizens just as fine and just as intelligent as those found in our own country, with high ideals and earnest purpose. I am fully cognizant of the splendid part which has been played by the immigrants and sons of immigrants who came to us during the nineteenth and early part of the twentieth century. Without this new blood the development of our great resources would have been retarded.

But conditions have now changed. The country is filling up. And there can be no question that without restricted immigration we would ere this have been engulfed in a flood of alien immigration which it would have been difficult for America to absorb. Therefore, to protect the American ideals which have been developed in America, in part by some of our immigrants themselves during the past century and a half, to assure a continuance of our American system, and lastly to protect our American workers in their jobs and in their opportunity for prosperity and material advancement, I believe that the restrictive immigration system is necessary. For what good would it do to protect the American worker from foreign-made goods and then without restriction admit the foreign worker himself?

Nothing which the Republican Party has accomplished during its tenure of office, now approaching a decade, has been more constructively important than its building up and strengthening of our immigration laws.

NATIONAL DEFENSE

One of the fundamental duties of a government toward the people is national defense. This is a statement so evidently true that it can be accepted without argument and without proof. We are told in the preamble to our Constitution that one of the reasons for the adoption of that all-important document was to provide for the common defense.

When thinking of national defense our minds turn naturally toward the Army and Navy. In the United States, because we have thousands of miles of ocean width to the east and west of us, and for the further reason that we have friendly and less populous nations to the north and south of us, the Navy is commonly and properly regarded as our first line of defense. So long as our Navy is as good as any navy that floats we feel that we are reasonably free from attack by a foreign foe.

As a result it has been deemed best and most economical to the people to provide what might be called in civilian terms a skeletonized Army, but one capable of being quickly increased in numbers in case of national crisis. To explain how this system is worked out, it might be said briefly that the Army of the United States is composed of the Regular Army, the National Guard, and the Organized Reserves. The Regular Army is a small, highly trained body of professional soldiers, much smaller than the regular army of any country half our size. Its size, relative to the population of the United States, might be compared to the police force of a modern city like Portland. The purpose of our Regular Army, as constituted, is to provide instructors for the other contingents and to constitute a first line of land defense, a nucleus around which a greater Army could speedily be developed in time of emergency.

The National Guard is a body of men whose military career is subordinate to their civil life. They are organized and equipped like the Regular Army, but are not so intensively trained, although they would form an important and effective addition to the Regular Army in case we were suddenly attacked.

The third branch of our Army defense is included in the Organized Reserves. The reserves provide the skeleton organizations into which would be fitted those able-bodied men between the ages of 18 and 45, who, the Constitution of our country states, are liable for military service in the common defense. Now, we do not want to be caught unprepared as we were at the beginning of the World War, and for this reason we have established the Reserve Officers' Training Corps, the function of which is to keep a supply of leaders, normally in civil pursuits, available for call in time of great emergency, and hence to provide for the common defense. This Officers' Reserve Corps is the very foundation of our comprehensive system of common defense. The pacifists, who oppose our defending ourselves as a nation, realize this, and that is why they oppose so vigorously military training in our schools and military training camps which are held each summer in various parts of the country. Fortunately, however, the attacks of our pacifists have failed in their purpose up to this time, and the training camps of the summer just past were the best in point of attendance and efficiency which have yet been held.

To sum up briefly this statement of our military defense in its three branches it may fairly be said that we have developed a fine system, free from the dangerous taints of militarism and the expense of a great standing army, under control of our citizens, and working toward good citizenship everywhere, a constructive force in time of peace as well as a defense in time of war.

In turning to our naval defense, our thoughts naturally center first on the naval limitation conferences held in Washington and London. In the Washington conference the great naval powers under the leadership of the United States agreed on a limitation of the number of battleships in which we were to have equal strength with Great Britain and a preponderance of strength over Japan in the ratio of 5 to 3.

In the London conference held only a few months ago the question of cruisers was paramount. After the conference seemed destined to end in failure an agreement was finally reached which gives us parity with Great Britain in the matter of armed cruisers and a preponderance over Japan and the other naval powers.

There is, however, one important difference. In the matter of battleships, in the Washington conference the United States "had the edge," so to speak, and in a few years under its program would have had by far the most powerful battle fleet in the world. When battleships were limited, therefore, Uncle Sam could and did stop work on battleships which were partially constructed in order to accomplish the required parity.

But the situation in the London conference with regard to cruisers was entirely different. After the Washington conference the United States eased up materially in its program of building cruisers under the belief that naval com-

petition was to end. It was a mistaken belief, however, as Great Britain and Japan, to say nothing of the other naval powers, embarked on great cruiser construction programs. As a result, by the time 1930 rolled around, we were in an inferior position regarding armed cruisers, which comprise a very vital arm of naval defense. Great Britain maintained that she could not cut her cruisers below a certain limit, and when the London parity agreement was reached it became necessary in order to maintain parity that we build up to parity.

Now, here is the real danger to our naval defense, and the danger does not lie in the result of the London conference which was an honest attempt to reach naval parity and to carry out the efforts of the American Government toward lightening the armaments of the world. The real danger lies in the chance that we as a nation will not build up to the cruiser strength allowed us in the treaty.

It has become apparent that certain professional pacifists and pacifist organizations who urged us to sign the treaty and obtain parity are now going to busy themselves in an effort to see that we do not build up to parity, but remain in a position inferior to Great Britain and Japan so far as cruisers are concerned. It is becoming evident that they are planning to bombard Congress with petitions to prevent the attainment of parity which the treaty undertook to guarantee. They will argue that now that there is no danger of war and that the naval-building program will be expensive and a waste of money.

The plans of replacement and construction prepared by our naval officers will call for an expenditure of about \$200,000,000 a year for the next five years. This looks like a big sum, but it is to be remembered that half of it is for replacements which have had to be made, anyhow, treaty or no treaty, so that the cost of new construction will be around \$100,000,000, or about 80 cents apiece for every American—surely not a great sum when we consider what is at stake.

But if you are disconcerted by the figures, let me say again that so much construction is necessary because since the Washington conference we have only laid down or appropriated for 11 ships, while Japan laid down or appropriated for 125; France, 119; Italy, 82; and Great Britain, 74. So it seems that we took naval limitation more seriously after the Washington conference than our naval rivals. And it is to be remembered that every dollar spent for naval replacement or construction will be spent in America and will give employment to American workers at American wages.

In their efforts to discourage our building of cruisers up to parity the pacifists will say that there is sentiment in Great Britain and Japan not to build new ships and that because of this we ought not to build. That is exactly the argument used by the pacifists after the Washington conference. Well, we tried the policy then and it did not work, as the figures I have just quoted on naval construction eloquently show.

When Uncle Sam stopped building cruisers after 1922 the other nations speeded up, and they showed no disposition to halt or to want limitation until the United States passed a bill providing for 15 new cruisers. Then they were willing to talk terms. Even the Labor government, which was in power during a considerable part of this time, approved of the construction of cruisers which would put John Bull ahead of Uncle Sam. It was only our determination to put on a building program that brought them to terms and to an agreement to cut down their programs.

It ought to be evident to everyone, therefore, that if we want to maintain parity and to be able to work for further limitation in the future, we will have to build up to the treaty limit so as to be in position to make ourselves effective when another conference is called, as well as to protect our people in the meantime.

Uncle Sam has been showing the way toward peace and limitation of armament ever since the close of the World War, and I believe that his record on that subject must be clear to all the world. We have reduced our Army to a minimum, although we have not sacrificed its efficiency or its mobility, and possibilities for expansion in time of trou-

ble, and we will not sacrifice these unless we fail or refuse to support the program of training camps and developments of reserve officers. We have agreed to naval parity when we could have had superiority.

Now the first arm of our defense is the Navy. In accordance to our wealth and population, we are entitled, to say the least, to a Navy as good as any other navy in the world. So far as I am concerned, I intend to lift my voice and direct my efforts wherever possible toward acquiring this parity under the naval treaty which was signed in solemn agreement at London. Not to build up to the treaty requirements would be failing to live up to the international agreement made in London, and it would be a serious mistake so far as the welfare and safety of the people of the United States are concerned—but it is a mistake which we are not going to make if we have the support of all real Americans for our program.

FOREIGN POLICY

The policy of this administration, as well as that of previous Republican administrations, with regard to foreign affairs, has been a helpful cooperation with other nations of the world in the interests of peace and general international welfare. At the same time it has been our policy, and will continue to be our policy, to avoid involving the United States in any entangling alliances or commitments of any kind. We have realized as a nation that the advice which George Washington gave us in his farewell address still holds good, that we want to win the peace and friendship of all nations without committing ourselves to any international policy or line of action in advance.

This was the policy of the Republic from its very beginning until the close of the World War. Then a tremendous effort was made to reverse our foreign policy and to induce the United States to enter into a program of helping to regulate the affairs of the whole world through membership in the League of Nations. It is not necessary for me to review the various phases and rehearse the arguments which were used for and against our league membership when the great fight over the question was waged in the United States Senate.

Sufficient it is to say that Republican leaders in the Senate waged the fight against the league and as a result defeated our entry. This verdict of the Senate was overwhelmingly approved by the people of America at the polls in the two succeeding national elections in which membership in the League of Nations was an issue.

Subsequent events have proved that those who advocated our remaining out of the league and out of European entanglements were correct. We have to do nothing more than to take a look around the world to-day to know that this is true. Everywhere there are mutterings of discontent. Europe is enduring a depression much worse than the one in the United States. There are millions of unemployed in Great Britain and in Germany and even in France prosperity seems to have passed its peak. There is unrest and disturbance in the Balkan nations and dictatorships are either in the saddle or are in the making. And in the East is the growing figure of Russia eager and anxious to take advantage of every opportunity to undermine and destroy the civilization of western Europe and of the New World.

And the political unrest is even greater than the economic unrest. On every side there are mutterings of discontent against certain phases of the Versailles treaty, or expressions of fear that efforts are about to be made to overturn the treaty. Italy feels that it lost many of the fruits of victory to which it was entitled. The Balkan countries are suspicious of Italy and Germany, and suspicious of each other. Germany looks with longing eyes on the Polish corridor, and Poland is determined to resist any change in the treaty even by force of arms if necessary, counting as she does on the active aid of France. And between France and Italy, two of the great powers of Europe, there are differences which may in time lead to an outbreak of hostilities. Lack of financing seems at present to be the greatest detriment to war in Europe.

Every American, as he gazes at this picture, ought to be thankful that he is a citizen of the United States and ought

to be thankful, too, that his Government is not committed in advance to settling these difficult questions as they come up, questions in which we can have nothing more than an academic interest.

But, the internationalist replies, it is a duty we owe to humanity to use our good offices wherever possible in the interests of peace and progress. With this statement we can have no complaint. But it has been the opinion of the Republican statesmen that we can best help Europe by retaining our freedom of action, by avoiding future commitments which might arouse suspicion in various countries, and so because of our very disinterestedness and detachment, being able to command the respect and confidence of the rest of the world when a crisis arises. In short, we have believed that we could do more for ourselves and the rest of the world with our hands untied than if they were tied to a special program by advance agreements.

Now the proof of the pudding is in the eating thereof, and I believe that our record in national affairs during the last nine years amply proves not only that we have done well for ourselves to keep out of Europe's business, but that we have done better by Europe, too. Our record of constructive achievement in the interest of world peace and progress is one of which we may well feel proud, as is ample refutation of the charges of the internationalists that we have built a wall of selfish isolation around the United States.

The Republican Party, not only during this administration but for the past nine years, has had a policy of international conciliation and constructive effort. We made peace with Germany and Austria, took the lead in calling two great naval conferences in the interest of the limitation of naval armaments, in the first of which we made tremendous sacrifices, and have shown in other ways our devotion to the cause of peace.

Since the present administration took office our record on foreign relations is one of which every American can feel proud. Soon after his election President Hoover went on a good-will tour of Latin America and the results were of lasting benefit in promoting good will between our people and the nations to the south of us.

President Hoover has also had the good fortune to be able to proclaim into effect the Kellogg-Briand treaty for the renunciation of war. This document, inspired in America, means, in short, that the nations of the world renounce war as a national policy and agree to resort to it only as a matter of self-defense.

In clearing up the Tacna-Arica dispute between Chile and Peru the United States Government has performed a real step in the interest of peace. The dispute was a bone of contention of 40 years' standing which was having a constantly irritating effect on South American politics.

Our relations with Mexico are now on a friendlier footing than for many years, and the President has also taken a step to promote friendship among the western republics by appointing a committee to study the whole question of future relations between the United States and Haiti. And so much better have our relations with Nicaragua become as a result of the election held there under the supervision of United States marines that we have been invited to supervise another election in Nicaragua. Our relations with the United States of Colombia, too, are now on a more friendly basis than has been the case for a generation.

Constructive measures have been taken by this administration to clear up many other problems growing out of our participation in the World War. These have included proposed settlements of the French, German, and Austrian debts. Congress has ratified the French debt settlement, with an approximate total of \$4,000,000,000, and this brings the grand total of debts funded by allied governments under our Republican administration to something over eleven and a half billion dollars. Quite a sizable sum, this, in the face of dire predictions made by our internationalists a few years ago that we ought to cancel all of these obligations and load the debts onto the backs of American taxpayers. War debts and claims between the United States and Germany and the United States and Austria are being settled,

and material progress has been made in restoring to its owners property which was seized during the war by the Alien Property Custodian of the United States. Under our settlement with Germany we are to collect over a period of years the sum of \$250,000,000 on account of the costs of our portion of the army of occupation during the World War. In addition there is to be collected a half billion dollars on account of the awards of the Mixed Claims Commission in sums due to citizens of the United States growing out of various war claims.

Here is some evidence that our foreign policy, with its avoidance of entangling commitments, has not been a failure. We have promoted the cause of peace and disarmament, and we have settled one by one, satisfactorily to both parties, the great majority of the vexatious problems growing out of the World War.

We have done all of these things without joining the League of Nations or entering into any general European alliance for maintaining the status quo, and in our ability to maintain freedom of action to-day and to sail our own course lies the best chance of our own safety, our own peace and tranquillity, and lies also the best chance for our being of service in case of sudden difficulties in Europe in which we may become a friendly mediator.

I believe it can be fairly said, therefore, that the Republican international policy of the past nine years, which is in line with the best traditions of the American Republic, has been a success and deserves the approval of the American people.

RELATIONS WITH LATIN AND SOUTH AMERICA

I want to say a few words about our relations with the countries of Latin America and of the importance of our cultivating them even more closely than we have done in the past. It is a matter of satisfaction to all Americans that our relations with them are becoming constantly more cordial. The fact that this is true is all the more surprising in view of insidious efforts which have been made in the past to bring about ill feeling between the United States and Latin America.

This effort has been well organized and has extended over a period of years, and its inspiration has been not in the Western Hemisphere but in Europe. Any observing American who has traveled in the countries to the south of us has sensed this effort. European nations from the beginning have controlled the avenues of information not only between Europe and Latin America but between the United States and South America. As a result, for years most of the foreign news and information appearing in the newspapers of South America has been colored in an effort to estrange the sentiment between the two Americas. News from the United States has been distorted to show that we are a nation of idle rich and of money-grabbing traders, that we had no ideals except finance, and that our purpose toward Latin America was to exploit it whenever and wherever possible and to maintain an imperialistic attitude toward all the other nations of the Western Hemisphere.

Unfortunately these European propagandists were not without assistance in our country. There has been a group of so-called liberals in the United States which has been busy shouting imperialism against our Government whenever it has been necessary to intervene in Latin America, not only to protect the lives of our citizens and their property but in the interests of the people of the revolution-torn land itself.

So long as our own newspapers and our own people paid little attention to Latin America this anti-American propaganda, inspired in Europe, was permitted to go on without interruption. And let me say in passing that this propaganda was not inspired by pure malice toward the United States. It had a carefully planned objective. The purpose of keeping the relations cool between the United States and Latin America was to prevent Uncle Sam from getting his share of the trade with these countries. Up to the World War the scheme worked pretty well, but after the war our trade with Latin America grew by leaps and bounds in spite of the barriers placed against it. Now it is greater than

the trade of the three leading trade nations of Europe combined.

Writing upon this change in conditions, Dr. Thomas H. Healy, professor of foreign relations, Georgetown University School of Foreign Service, recently stated in an interesting article appearing in the Washington Star:

Truly startling changes have been wrought in all of this within the last few years. Last year our trade with Latin America was approximately \$2,000,000,000, or approximately three times as great as it was 20 years ago. In both imports and exports we had a greater total than our three principal competitors—Great Britain, France, and Germany—combined. To-day we occupy first place in sales to every one of the Latin American countries without exception. Our financial investments in Latin America to-day are over \$5,500,000,000, or almost five times as great as they were 20 years ago. The capital that we have invested to-day in Venezuela is more than all the capital we had invested in the entire continent of South America 20 years ago. * * * A number of important press organizations and newspapers of the United States now have their own representatives in Latin America, reporting accurately and completely to the American public events and situations in Latin America; the space now devoted to such purposes in our magazines and newspapers is many times greater than it was even 10 years ago. From the telephones in any large city in the United States it is now possible to talk by telephone or radio-telephone to a number of the capitals of Latin America and in the space of a few minutes.

Increasing trade has brought a reawakened interest between the Northern and Southern Hemispheres. Newspapers of the United States and our press services are exchanging material with Latin America direct instead of permitting the news to go back and forth through London and Paris. There has been a greater exchange of visitors and tourists—in short, we are getting better acquainted with our neighbors. Another important fact is that the number of ship lines between the United States and Latin America is increasing, and as these lines and their direct commerce increase our relations will become more intimate and more cordial.

During the past year or so the friendship and mutual understanding has grown by leaps and bounds. It was given a great acceleration by the visit of President Hoover to Latin-America just before his inauguration. This visit made a lasting impression and it is being returned by high South American officials.

There are signs of increasing friendship on every hand. Nicaragua is now asking for American control of its next election. It is no longer afraid of the old cry of imperialism. Mexico and the United States have improved their mutual relations tremendously. The newspapers and statesmen of the United States of Colombia, formerly unfriendly with us, are now sounding the praises of Uncle Sam. Brazil is especially cordial, and Argentina has just gotten rid of a President who prided himself on his enmity to the United States.

All of which is entirely important, and for this reason I have dwelt upon it at some length. Now, why is it important? The reason is that a big trade between the United States and Latin America, and increasing friendliness and cooperation, are of supreme importance to the entire Western Hemisphere. Our trade with Europe has about reached its zenith. Europe is a continent grown old in its development. It is highly organized industrially as well as politically. As conditions improve and it adopts American methods of production it will have less and less use for American finished products, although it will still come to us for a part of its raw material. We must depend, therefore, for an increase in our foreign trade principally on Latin-America and the countries of the Orient. Already we have a larger trade with Japan than we have with France. The day is coming when stable government will settle over China once more, and we will then have another big customer in the Orient. All of which is for the future. But in the meantime our greatest chance for an improvement in commercial relations is with Latin America. Here is our opportunity. The people of Latin America, through their visiting here and through the moving picture, are getting some ideas of the comforts and luxuries enjoyed by the American people—and they are in the market for these.

And the case is far different from that of Europe. Latin America, certainly within this generation or the next, will

not become a manufacturing rival of the United States. Latin America can use our manufactured products and we can use their raw materials. The conditions for a beneficial exchange of goods are almost ideal. They have what we want and can not produce for ourselves. We have what they want and can not produce for themselves. We must have protection from a flood of European goods to save our own great market for the American producer. But most of the things we buy from Latin America can come in duty free, because they are not in conflict with American commodities. There are a few exceptions, of course, principally in Argentina, but in the other countries of South America the American protective tariff arouses little interest or apprehension.

Therefore the future tranquility and the future prosperity of the United States depends on cultivating closer relations between the Northern and Southern Hemispheres.

RECAPITULATION OF ACCOMPLISHMENTS

The Republican Party has always had a record of pledges kept. With but few intervening years it has had control of the Government at Washington since 1861. During this period, and for nearly 70 years, the United States has made greater progress than any nation has ever made during a similar period of time. From a State torn by factional strife which threatened its dissolution at a time when the Republican Party came into power it has grown to be the greatest and richest nation in the world. I might say, too, the most stable nation on the earth and the last remaining hope of those who believe in representative government as opposed to the rule of the single dictator or the rule of the mob.

Let me recount to you some of the things promised in the Republican national platform of 1928 and what steps have been taken to fulfill the promises by President Hoover and the Republican majority in Congress.

The Republican Party in 1928 pledged continued economy in the operation of government, and this has been accomplished. In the first year President Hoover held the national outlay to the figure provided for expenditures the year before by President Coolidge and at the same time found funds to provide for the expansion of our merchant marine and inland waterways, to say nothing of necessary increased activities in the Agriculture, Commerce, and Labor Departments.

The Republican Party promised further tax reduction, and this has been accomplished. It was here that the economy program showed its real results, and at the end of the first year of the Hoover administration there was a Treasury surplus of \$184,000,000, paving the way for the tax reduction which followed.

The Republican Party in 1928 promised to carry out its established policy of funding the foreign debts without cancellation, and the French debt was successfully funded by the Hoover administration, bringing the refunding total of foreign war debts up to more than \$11,500,000,000.

The Republican Party in its 1928 platform promised a foreign policy which, without in any way involving us in foreign entanglements, would promote the general peace of the world and, so far as possible, render war less likely. This pledge has been kept. The Kellogg-Briand peace pact by which the nations agree to abolish war as a foreign policy has been ratified by all the principal nations of the world. The London naval conference has done away with naval rivalry among the great powers, and yet has provided us with naval parity with Great Britain and a navy superior to that of Japan. Before taking office President Hoover made a tour of South America, with the result that our relations with the Latin American countries are now more friendly than ever before. All of this has been in response to the party platform pledge.

The Republican Party in 1928 promised to do what it could to help the farmer. The result has been additional legislation, the most important part of which perhaps was the farm relief act which, through its liberal expenditures and sweeping organization, seeks to assist the farmers in bringing about better marketing conditions and consequent

higher prices. The Farm Board has, of course, been handicapped by the economic depression, but in time its importance for farm relief will be fully demonstrated. Hardly less important than the farm relief act was the increase of tariff rates on foreign farm products coming into direct competition with the products of our own farmers. The administration, too, has tried to improve the marketing problem by further improvement of our inland waterways and our market highways.

The Republican Party in 1928 promised to bend its efforts to better law enforcement. The Prohibition Department has been placed under the Department of Justice. Agreements have been made with Canada to curtail so far as possible the exports of liquor from that country to the United States, and measures have been taken to speed up the administration of justice in the Federal criminal courts. The President, in order that the Nation might have the best information concerning the problem of crime, appointed a National Law Enforcement Commission, the members of which are experts in their lines, men nationally known and enjoying the public confidence. They have made an exhaustive survey and will soon make their report. This will be invaluable in the shaping of legislation for law enforcement in the future.

Last, but not least, the Republican Party promised in 1928 a strengthening of our tariff laws, and, as a result, after tremendous opposition on the part of our Democratic opponents, an opposition which delayed the enactment of the tariff bill for months, and hence has delayed the recovery of the country from depression, the administration succeeded this summer in enacting into law a tariff bill which gives much-needed protection to the farmer, the fruit grower, and to those industries which were feeling the blighting effect of cheap foreign competition. The farmer and the worker will both benefit from this. During the closing months of tariff debate the importers were busy getting into the country great quantities of cheap foreign commodities ahead of the new tariff. This is being absorbed more slowly than usual because of the depression, but it will soon be absorbed and the full benefits of the new tariff law will then be enjoyed.

These are some of the accomplishments of the present administration as compared with the platform pledges of 1928, and I believe that they warrant your support in the November election.

But I would be remiss in my duty if I stopped here. The Republican Party has been in power since 1921, and its record in all of that time, like its record in the present administration, is one sufficient to inspire your confidence and your support. The nearly 10 years of Republican rule have been a period of economy in government, of debt reduction, of protection to American workers and farmers, and of constantly increasing friendliness with foreign nations.

Tax reduction acts have been passed in 1921, in 1924, in 1926, in 1928, and in 1929. These reductions have constantly improved the economic structure of America. The results are incalculable. In the first year of the operation of the 1921 act the saving was \$663,000,000, in the first year of the 1924 act \$519,000,000, in the first year of the act of 1926, \$422,000,000, and in the first 12 months of the 1928 act \$222,000,000. It is estimated that the first year of the 1929 revenue act will mean a further saving of \$160,000,000 to the American taxpayers. Here are tangible results of the Republican administration of finances. During this same period our national debt has been reduced at the rate of nearly a billion dollars a year, being decreased from \$24,500,000,000 in round numbers, when the Republican administration took office in 1921, to approximately \$16,185,000,000 in June, 1930—a reduction of eight and a quarter billion dollars. No nation has ever equaled this achievement, and certainly no other political party has ever achieved a record of public-debt reduction like this. The decrease in interest alone on the debt amounts to more than \$400,000,000 annually.

The Republican Party early after it took office made treaties of peace with Germany and her allies, and since

then has led the way toward peace, initiating the Washington and London conferences and the Kellogg pact. It has cleared up the vexatious question of foreign debts, and has not listened to talk of cancellation. The amount funded, as I stated a moment ago, is more than eleven billions. And in commenting on this remarkable financial program it is not to be forgotten that in clearing up the financial wreckage of the war the Republican administration has not forgotten the veterans of the war. Liberal increases have been made in the benefits allowed soldiers, and the Government is now spending more than \$800,000,000 annually on this work.

Now, turning in conclusion for a moment again to this financial record of the Republican Party since it took over the reins of government in 1921, I feel justified in saying that the record of debt reduction, of tax decrease, of scientific reduction in expenditures justifies the confident statement that this same party will be able to steer the ship of state from the present depression, world-wide in its causes, and due to the failure of no governmental policy in America. For nearly 70 years the record of the Republican administration has been one of almost uninterrupted progress. During this same period the Democratic record has necessarily been one of negation. While the Republicans have been accomplishing, the Democrats, forced to the side lines, have been "viewing with alarm." They have sought to feed, not on constructive accomplishment but on calamity.

FIXING TIME FOR ASSEMBLING OF CONGRESS

Mr. STAFFORD. Mr. Speaker, I ask unanimous consent to proceed for 10 minutes.

The SPEAKER. The gentleman from Wisconsin asks unanimous consent to address the House for 10 minutes. Is there objection?

There was no objection.

Mr. STAFFORD. Mr. Speaker, one of the measures that is on the agenda of the House that is demanded by the so-called insurgents is a vote on the so-called "lame duck" resolution, providing for a constitutional amendment to do away with hold-over sessions after congressional elections.

I am in sympathy with the purpose of that resolution. [Applause.] I am rather surprised that a vote has not heretofore been had in this Congress on that resolution. In no instance in the history of my 18 years of service in this body have I seen a greater need from a practical legislative standpoint of such a resolution being in effect. Some of the leaders of the House claim that the new Congress should not convene until a year hence because it will disturb business conditions.

The country has voted, they have expressed themselves upon the issues, and I can see no reason why after the country has expressed itself the Congress elect should not take up the responsibilities of legislation.

I do not think it is necessary in order to accomplish the end of doing away with the hold-over sessions to provide for a constitutional amendment. During the few spare moments that I have had since we last met—some of you know that I had a very hard contest for nomination and also for election, being opposed at the election by the Socialist nominee and a minor Democratic nominee—and I do not say minor because of his qualifications, but because he received so few votes, as my plurality over him was 17,000, although he coddled the Democratic congressional committee and got some money in order to try to make possible a victory for the Socialist. If they had used this good Democratic money in some other districts they might have gotten a clear majority of the House.

Now, on the question of the lame-duck session, as I have said, I do not think it is necessary in order to accomplish the end to pass a constitutional amendment.

Only last evening after the adjournment of the House I drafted the following bill. I would like to have favorable consideration of this bill, to which I have given considerable thought, to see whether the end in view could not be accomplished by a bill which only requires a majority of the two Houses, rather than a constitutional amendment, which, as the country knows, requires a two-thirds vote of the House

and Senate, and ratification by three-fourths of the legislatures of the States.

I will say parenthetically that I would like to have the parliamentary leader advise me when he is ready to go ahead with the regular legislative work.

Mr. TILSON. If the gentleman is willing to suspend now, we can go on with the business and he can complete his statement later.

Mr. STAFFORD. I see my old friend, the executive clerk to the President, present, but I wish to read the bill I have drafted, so that you may consider the question of whether the end can not be accomplished by a bill rather than a constitutional amendment.

The bill is as follows:

That after the end of the present session, the next regular meeting of Congress shall be on the second Monday in November next, and in the event that Congress shall have adjourned before the 4th day of January following, it shall again assemble on said last-named date; and thereafter, beginning with the Seventy-third Congress, it shall assemble on the 6th day of March in each odd-numbered year; and again, in case Congress shall have adjourned before the second Monday in November of such years, it shall again assemble on said last-named date, and it shall also assemble, in the event it shall have adjourned before the 4th day of January following, on said 4th day of January in each even-numbered year, which session shall end, if it has not ended sooner, on the fourth Friday of October following.

In the event that any dates referred to in this section shall fall on a Sunday, then the next day shall be the date of assembling.

SEC. 2. Congress shall also assemble on the third Wednesday in February of each year that follows an election for President and Vice President, and on the day following the electoral vote shall be counted as provided by law.

The reason for that last provision is that there must be some meeting of the hold-over Congress every four years to consider the electoral vote. I thank you, gentlemen, for your respectful consideration of this proposal. [Applause.]

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Latta, one of his secretaries.

THE BUDGET MESSAGE

The Chair laid before the House the following message from the President of the United States, which was read and, with the accompanying papers, referred to the Committee on Appropriations and ordered printed:

To the Congress of the United States:

I have the honor to transmit herewith the Budget of the United States for the fiscal year ending June 30, 1932. A comparison between the estimates of appropriations for 1932 and the appropriations for 1931 is set forth in the following table:

	Estimates, 1932	Appropriations, 1931 ¹
Legislative establishment:		
Senate.....	\$3,252,522.00	\$3,244,744.00
House of Representatives.....	8,182,298.00	8,176,754.00
Architect of the Capitol.....	10,336,608.00	8,472,417.53
Botanic Gardens.....	175,082.00	194,500.00
Library of Congress.....	2,457,722.00	3,767,742.00
Government Printing Office.....	4,294,000.00	3,270,000.00
Miscellaneous.....	185,050.00	185,050.00
Total, legislative establishment.....	28,883,283.00	27,311,267.53
Executive Office.....	473,400.00	422,320.00
Independent establishments:		
Alaska relief funds.....	15,000.00	15,000.00
American Battle Monuments Commission.....	304,250.00	1,000,000.00
Arlington Memorial Bridge Commission.....	1,000,000.00	1,000,000.00
Board of Mediation.....	318,545.00	328,380.00
Board of Tax Appeals.....	654,460.00	650,000.00
Bureau of Efficiency.....	201,470.00	224,330.00
Civil Service Commission.....	1,678,442.00	1,542,952.00
Commission of Fine Arts.....	9,995.00	9,080.00
Employees' Compensation Commission.....	4,736,390.00	4,210,000.00
Federal Board for Vocational Education.....	10,087,260.00	9,400,400.00
Federal Farm Board.....	101,900,000.00	1,900,000.00
Federal Oil Conservation Board.....	20,060.00	17,220.00
Federal Power Commission.....	319,270.00	299,170.00
Federal Radio Commission.....	466,820.00	450,000.00
Federal Reserve Board.....	1,609,200.00	2,560,336.00
Federal Trade Commission.....	1,625,986.00	1,580,000.00
General Accounting Office.....	4,353,320.00	4,193,500.00
George Rogers Clark Sesquicentennial Commission.....	800,000.00	

¹ Exclusive of the annual cost of the act approved July 3, 1930, amending the classification act of 1923, estimated at \$3,975,292.

	Estimates, 1932	Appropriations, 1931
Independent establishments—Continued.		
George Washington Bicentennial Commission	\$338,195.00	\$362,075.00
Housing Corporation	33,700.00	48,950.00
Individual records, civil-service retirements		150,000.00
Interstate Commerce Commission	11,975,593.00	10,329,963.00
Investigation of enforcement of prohibition and other laws		250,000.00
Mount Rushmore National Memorial Commission		60,000.00
National Advisory Committee for Aeronautics	1,053,790.00	1,321,000.00
National Capital Park and Planning Commission	4,000,000.00	1,000,000.00
Personnel Classification Board		220,830.00
Porto Rican Hurricane Relief Commission	2,000,000.00	2,000,000.00
Protecting interests of the United States in oil leases and oil lands	20,000.00	
Public Buildings and Public Parks of the National Capital	5,595,685.00	4,289,044.00
Public Buildings Commission	125,000.00	100,000.00
Smithsonian Institution	1,212,924.00	1,208,671.00
Supreme Court Building Commission	4,250,000.00	1,000,000.00
Tariff Commission	1,240,000.00	785,000.00
United States Geographic Board	9,538.00	15,760.00
United States Shipping Board and Merchant Fleet Corporation	39,405,000.00	6,346,000.00
Veterans' Administration	946,289,758.00	836,244,020.00
Yorktown Sesquicentennial Commission		8,000.00
Total, Executive Office and independent establishments	1,148,354,811.00	895,321,171.00
Department of Agriculture	225,537,476.00	173,145,474.50
Department of Commerce	54,638,226.00	54,619,485.00
Department of the Interior	85,345,211.73	83,875,323.74
Department of Justice	51,988,261.00	45,395,922.00
Department of Labor	13,446,400.00	12,230,170.00
Navy Department	349,628,298.00	382,505,193.26
Post Office Department:		
Postal Service payable from postal revenues	735,003,057.00	725,844,097.00
Postal deficiency payable from Treasury	114,041,000.00	111,202,200.00
State Department	17,731,306.34	17,816,022.14
Treasury Department	281,296,380.00	359,638,676.00
War Department, including Panama Canal	464,645,806.00	456,041,951.00
District of Columbia	47,796,047.00	48,397,432.00
Total, ordinary, including Postal Service	3,618,335,563.07	3,393,344,355.22
Reduction in principal of the public debt:		
Sinking fund	409,410,600.00	392,152,200.00
Other redemptions of the debt	59,099,305.00	48,846,000.00
Principal of the public debt	468,509,905.00	440,998,200.00
Interest on the public debt	581,000,000.00	603,000,000.00
Total, including Post Office Department and Postal Service	4,667,845,463.07	4,437,342,535.22
Deduct Postal Service payable from postal revenues	735,003,057.00	725,844,097.00
Total payable from the Treasury	3,932,842,411.07	3,711,498,438.22

* Figures for 1931 include the appropriations transferred under the act of July 3, 1930, from the Interior Department (pensions) and the War Department (National Homes for Disabled Volunteer Soldiers).

* Figures for 1931 include appropriations transferred under the acts of May 27, 1930, and June 17, 1930, from the Treasury Department (Prohibition Bureau and the U. S. Customs Court).

The total of the estimates of appropriations payable from the Treasury shown in the foregoing table is \$221,000,000 more than the appropriations for 1931. The estimates for 1932, however, contain \$100,000,000 for the revolving loan fund of the Federal Farm Board, for which no amount appears in the 1931 appropriations. Of other large items of increase the veterans' administration calls for \$110,000,000, the Shipping Board \$35,000,000, the road program \$51,500,000, while tax repayments are estimated at \$92,000,000 less. For the purposes of comparing the estimates for 1932 with the appropriations for 1931, the large items which involve either increase or decrease are set forth below:

	Increases	Decreases
Legislative establishment:		
House Office Building	\$2,300,000	
Senate Office Building	2,838,000	
Library of Congress Annex	1,000,000	
Enlarging Capitol Grounds		\$4,763,000
Library of Congress, Vollbehr collection		1,500,000
Government Printing Office Building	1,000,000	
Independent establishments:		
Federal Farm Board	100,000,000	
George Rogers Clark Sesquicentennial Commission	800,000	
National Capital Park and Planning Commission	3,000,000	
Public Buildings and Public Parks of the National Capital	1,300,000	

	Increases	Decreases
Independent establishments—Continued.		
United States Shipping Board and Merchant Fleet Corporation—		
Shipping fund		\$3,300,000
Construction loan fund	\$35,000,000	
United States Supreme Court Building	2,750,000	
Veterans' Administration—		
General administration and hospitalization	17,090,000	
Military and naval compensation	71,290,000	
Military and naval insurance	1,500,000	
Government life insurance	890,000	
Army and Navy pensions	9,500,000	
Hospital and domiciliary construction	9,350,000	
Total, Veterans' Administration	109,620,000	
Department of Agriculture:		
Forest Service	1,450,000	
Plant quarantine and control		1,730,000
Forest roads	1,500,000	
Federal-aid roads	50,000,000	
Mount Vernon Highway		2,000,000
Flood relief, roads		1,300,000
Department of Commerce:		
Aeronautics Branch	1,160,000	
Bureau of the Census		2,230,000
Bureau of Standards		870,000
Department of the Interior:		
Indian Service	1,390,000	
Indian trust funds		5,000,000
Bureau of Reclamation	4,420,000	
National parks, land purchases		1,820,000
St. Elizabeths Hospital, construction	1,150,000	
Department of Justice:		
Bureau of Prohibition	2,480,000	
Expenses, etc., United States courts	1,570,000	
Penal and correctional institutions	2,010,000	
Department of Labor	1,190,000	
Navy Department:		
Bureau of Engineering		1,100,000
Bureau of Supplies and Accounts		1,940,000
Bureau of Aeronautics		1,180,000
Major alterations of vessels		7,400,000
Increase of the Navy		21,100,000
Postal Service: Deficiency		2,830,000
Treasury Department:		
Refunding taxes illegally collected		92,000,000
Construction of public buildings	10,330,000	
Customs Service	1,000,000	
War Department:		
Buildings at military posts		1,410,000
Other Quartermaster Corps items		1,230,000
Air Corps	1,630,000	
Maintenance and improvement of rivers and harbors—		
Annual appropriation	5,000,000	
Permanent specific and indefinite appropriations	4,580,000	
District of Columbia:		
Municipal Center		3,000,000
Net increase other items	2,465,000	
Public debt:		
Reduction of principal	27,500,000	
Interest		22,000,000

There are certain items which affect these increases and decreases which I feel require special comment.

SHIPPING BOARD

The estimates for the Shipping Board contained in this Budget show a net increase of about \$33,000,000 over the appropriation for 1931. This increase is due to the estimate of \$35,000,000 for the construction-loan fund of the Shipping Board, which is a new item of appropriation. Heretofore all authorized loans for the construction of ships by private parties have been met by the receipts credited to the construction-loan fund of the Shipping Board arising from sales of ships or property and other sources. There will be required, however, a direct appropriation to the credit of this fund to provide for authorized loans during the fiscal year 1932. Decreases in the 1932 estimates of the Shipping Board for other purposes amount to approximately \$2,000,000, so that the net increase is \$33,000,000.

VETERANS' ADMINISTRATION

Under the authority contained in the act of Congress entitled "An act to authorize the President to consolidate and coordinate governmental activities affecting war veterans," approved July 3, 1930, there have been transferred to and consolidated in the Veterans' Administration the duties, powers, and functions which devolve by law upon the Bureau of Pensions of the Interior Department, the National Home for Disabled Volunteer Soldiers, and the United States Vet-

erans' Bureau. The activities of the War Department dealing with the payment of the annuities prescribed in the acts of Congress approved May 23, 1908, and February 28, 1929, and the furnishing of artificial limbs, trusses, and surgical appliances under the laws recited in chapter 5, title 38, United States Code, have also been transferred to the Veterans' Administration. For the first time there is presented in the estimates of one establishment the funds necessary to carry on the activities of the Government which deal directly with the administration of veterans' affairs. The total of the estimate is \$946,289,000, but not all of this pertains to veterans' affairs. Approximately \$21,000,000, which pertains generally to the civil-service retirement fund and the administration of the retirement law, has no application to veterans as such. This function was transferred to the Veterans' Administration because it formed a part of the duties of the Bureau of Pensions which was merged intact into the new establishment. The estimate for the Veterans' Administration contained in this Budget is approximately \$110,000,000 in excess of the appropriations for similar purposes for 1931. The principal items of increase are in general administration and hospitalization, \$17,428,000, which is due principally to enlarged operating costs occasioned by the increase in the number and capacity of hospitals and domiciliary facilities; military and naval compensation, \$71,300,000; construction of new hospitals and domiciliary facilities, \$9,350,000; and Civil War and Spanish-American War pensions, \$9,500,000. I feel confident that in the absence of the consolidation of veterans' affairs made possible by the act of Congress approved July 3, 1930, we would have required a larger appropriation for 1932 to serve the same purposes as are contemplated by the estimate contained in this Budget.

AGRICULTURE

The estimates for the Department of Agriculture for 1932 carry approximately \$56,740,000 in excess of the appropriations for the current fiscal year 1931. The major portion of this increase, \$51,500,000, is for the construction of roads in the Federal highway system and for forest roads and trails. Other increases are for agricultural research work, \$2,000,000, for service work for the general public, including the Weather Bureau service, \$2,440,000, and for enforcement of regulatory laws, \$800,000.

TREASURY DEPARTMENT

In the estimates of the Treasury Department for the fiscal year 1932 the principal item of decrease from the appropriations for the fiscal year 1931 is \$92,000,000 for refunding taxes illegally collected. On the other hand, the principal items of increase over 1931 are \$10,300,000 pertaining to the construction of public buildings and \$1,000,000 for the Customs Service. In total, the estimates for the Treasury Department for 1932, compared with the appropriations for 1931, show a decrease of \$78,342,000. This, however, is only an apparent reduction in so far as amounts available for expenditure within the respective fiscal years are concerned.

The appropriations for the Treasury Department include a number of double-year and no-year items. It is estimated that the result of operations under these appropriations will be a reduction in expenditures in 1931 of \$30,000,000, and an increase in the amount available in 1932 of \$59,400,000. On this basis the amount available in 1932 will be over \$11,000,000 in excess of 1931.

DISTRICT OF COLUMBIA

For the municipal government of the District of Columbia there is being requested \$47,796,000, which is a decrease of \$601,000 from the appropriations for 1931. However, the 1931 appropriations provided \$3,000,000 for the purchase of land and \$65,000 for the preparation of plans and designs of buildings for the municipal center, which are nonrecurring items. Deducting these amounts, the estimate for 1932 is \$2,465,000 in excess of the appropriation for 1931. I may add that the estimate for 1932 does not contain any amount for commencing actual construction for the municipal center for the reason that the preparation of plans, designs, and estimates of cost have not progressed to a point which

permits of a limit of total cost being expressed in the estimate. The Commissioners of the District of Columbia believe that approximately \$1,500,000 will be required to commence construction work and they are reserving that amount from the estimated revenues of the District of Columbia. In considering the amount available for appropriation for the District of Columbia this amount has been withheld from the estimates of 1932 solely with a view to later presentation when more complete information is available. I mention this so as to prevent any possible misunderstanding that the omission of the amount of \$1,500,000 from this Budget would leave excess funds of the District of Columbia available for appropriation for other purposes.

BUILDINGS

The progress made by the Treasury Department under the program to house Federal activities in Washington and throughout the country in Government-owned buildings has been greatly accelerated during the past year by a considerable enlargement of the program, expedition in acquiring sites, and the removal of restrictions on the employment of outside architectural services. The original public building act of May 25, 1926, authorized the expenditure of \$15,000,000, in addition to sums already provided, for the completion of 69 projects authorized prior to 1926. It also authorized the expenditure of \$50,000,000 for buildings in the District of Columbia, and \$100,000,000 for the country at large. An act approved February 24, 1928, amended the original act by increasing the authorization for buildings outside the District of Columbia \$100,000,000. A recent act, approved March 31, 1930, further amended the two prior acts by increasing the District of Columbia program for construction \$100,000,000, and the program outside the District \$115,000,000. The purchase of additional land in the District of Columbia at an aggregate cost of \$40,000,000 has also been authorized. The total public-buildings program, therefore, under present authorizations, amounts to \$520,000,000, to which should be added whatever amounts are derived from the sale of obsolete sites and buildings.

In furtherance of the purposes of this legislation specific authorizations have been made for 535 projects at limits of cost aggregating \$378,560,000. To finance the projects, on the basis of providing for maturing obligations, appropriations have been made to the amount of \$149,586,000. The total expenditures to October 31, 1930, amount to \$77,027,625.80, of which \$8,481,550.29 is chargeable to authorizations prior to 1926, leaving a balance available for further expenditure of \$72,558,379.09. The amount which will be expended during the remaining eight months of the current fiscal year is estimated at \$56,000,000. The appropriation balance then remaining, added to the \$60,000,000 carried in this Budget, will permit of expenditures somewhat in excess of \$76,500,000 during the fiscal year 1932. The expenditure program for the 20-month period from November 1, 1930, to June 30, 1932, therefore amounts to upward of \$132,500,000, and it is fully expected that this program will be carried out.

In addition to the building program as above outlined, appropriations amounting to \$23,680,000 have also been made under the authorization of \$40,000,000 for the purchase of additional land in the District of Columbia. The expenditures to October 31, 1930, amount to \$13,234,030.45, and approximately \$7,600,000 will be spent during the remainder of the current fiscal year. The expenditures during the fiscal year 1932 are estimated at upward of \$7,500,000, and for this purpose provision for an additional appropriation of \$5,000,000 is carried in this Budget.

The War Department is also carrying forward a building program, involving an ultimate expenditure of about \$160,000,000, for the housing of military personnel and utilities, made necessary by the need for replacing World War temporary construction and to provide generally for the increase in the pre-war strength of the Regular Army. There has already been appropriated for this purpose \$53,348,000, and \$14,700,000 is carried in the estimates for 1932, with authority to make contracts for \$3,000,000 additional. The estimates for 1932 also carry \$2,625,000 for technical buildings for the Air Service of the Army and \$1,530,000 for other

buildings for various purposes for the Army and the Panama Canal.

For buildings and structures for the Navy the Budget carries estimates aggregating \$9,542,500, of which \$50,000 is for the purchase of necessary land.

To complete the \$15,000,000 program for additional hospital facilities for the Veterans' Administration, \$7,950,000 is provided in this Budget for liquidating contracts previously authorized by the Congress and \$3,400,000 is provided for construction work at branches of the National Home for Disabled Volunteer Soldiers.

A total of \$2,550,000 is estimated for new building construction for the Indian Service, including reservation and nonreservation schools, hospitals, and administration buildings.

The estimates for the Department of Justice include provision for construction at the Atlanta (Ga.) Penitentiary, \$100,000; at the McNeil Island (Wash.) Penitentiary, \$214,000; at the industrial reformatory, Chillicothe, Ohio, \$1,000,000; for a new reformatory west of the Mississippi River, the location of which has not yet been decided upon, \$500,000; for Federal jails, \$500,000; and at the National Training School for Boys, Washington, D. C., \$200,000; a total of \$2,514,000.

For the Department of State \$2,000,000 is provided to continue the program for the construction of houses and offices for our representatives abroad.

Altogether this Budget carries \$111,811,500 for the procurement of sites and the construction of buildings, with a contract authorization for a further expenditure of \$3,000,000.

NATIONAL DEFENSE

The estimates of appropriations for the War and Navy Departments for 1932 provide a total of \$689,084,000 for national defense. This is exclusive of all items of a non-military character and is a decrease under the appropriations for this purpose for 1931 of \$33,697,000.

The decrease for the War Department amounts to \$751,000, which amount is the net result of increases and decreases in many items based on the different requirements for the two fiscal years involved.

The decrease for the Navy Department is \$32,946,000. Due to the ratification of the London treaty, the operating force program of the Navy was revised to provide for a reduction in the enlisted force and a reduction in the number of vessels to be retained in commission. These changes involved a reduction in the estimated requirements for 1932 of approximately \$7,000,000. However, with a fleet much reduced in number of vessels, provision is made for 1932 for a reasonable increase in the enlisted complement of vessels and for relative increases in the items connected with the maintenance, repair, and operation of vessels, with the view that the efficiency of the personnel and of the vessels of the smaller active fleet may be further increased. After providing for these and other increases, the net decrease for ordinary operating expenses is \$4,446,000. The decrease for modernization of battleships is \$7,400,000, appropriations having previously been made to complete the modernization of all vessels so far authorized. For construction of vessels the decrease is \$21,100,000. A large unexpended balance accrued under the appropriations for ship construction because of the delay in the program pending the result of negotiations for modification of the Washington treaty. The construction of those vessels now authorized which are permitted by the London treaty should now go forward without delay. The cash withdrawals for new ship construction during 1932 is estimated at \$51,600,000 and for 1931 at \$44,200,000. Seven of the light cruisers carrying 8-inch guns and the aircraft carrier authorized by the act approved February 13, 1929, will be under construction by the close of the current fiscal year. Under the terms of the London treaty, and if this Government so elects, three more 8-inch-gun cruisers may be laid down; one in the calendar year 1933, one in 1934, and one in 1935. The remaining five cruisers authorized by the act may not, under

the terms of the treaty, be constructed with armament of 8-inch guns.

The estimates for 1932 provide additional funds necessary to carry forward work on the aircraft carrier and seven of the cruisers authorized by the act of February 13, 1929, and also the incompleting light cruisers and submarines being constructed under prior authorization.

AIR SERVICE

There is requested for the air services of the Army and Navy, including their civilian components, a total of \$29,361,000 for the procurement of new airplanes, their engines, spare parts, and accessories. I am also asking a total of \$277,000 for similar purposes for the Coast Guard, Department of Commerce, and the National Advisory Committee for Aeronautics. These two sums contemplate the procurement of a total of not less than 787 airplanes.

With regard to the Army, the estimates make provision for the procurement of at least 392 planes, which will provide an approximate total of 1,582 planes on hand and on order on June 30, 1932, leaving a possible shortage of 66 planes in the authorized total of 1,648. This is only an estimated shortage and may be substantially reduced by June 30, 1932. The National Guard now has its full complement of 152 planes.

Concerning naval aviation the expansion program authorized by Congress provided for 1,000 planes and two rigid airships. The airplane program will be completed during the current fiscal year, so that provision is made in this Budget only for the procurement of replacement planes to the number of 277. The two rigid airships are now under contract and there is included in this Budget \$1,675,000 for the completion of one and commencing the construction of the other.

In addition to the amounts which we are spending for the acquisition of aircraft we are also spending large sums for lighting and equipping airways, for the inspection and licensing of commercial planes and pilots, and furnishing weather reports necessary to the carrying on of aerial navigation. For these purposes \$10,375,000 is included in the estimates of the Department of Commerce and \$1,760,000 in the estimates of the Weather Bureau of the Department of Agriculture. It is estimated that by the end of the fiscal year 1932 there will be about 19,500 miles of airways lighted and equipped.

RIVERS AND HARBORS AND FLOOD CONTROL

The estimates herewith contain an increase of \$5,000,000 for the maintenance and improvement of existing river and harbor works over the annual appropriation for the current fiscal year. In addition to this increase the estimates for 1932 show a further increase of \$4,680,000 over the estimates for 1931 in the funds required to meet the requirements of rivers and harbors and flood control under authorizations of law covering permanent specific and indefinite appropriations, advances, and contributions. The total contained in this Budget for rivers and harbors and flood control is \$108,553,000, of which \$71,703,000 is for rivers and harbors and \$36,850,000 for flood control.

PANAMA CANAL

The annual amounts now being appropriated for the Panama Canal are approximately \$12,000,000, and the receipts from the canal flowing to the Federal Treasury are approximately \$28,000,000, an excess of receipts over appropriations of \$16,000,000 annually. There seems to be a feeling in some quarters that under these circumstances either the tolls of the Panama Canal should now be materially reduced or the expenditures on the canal increased, or both. However, from 1903 to 1930 the total expenditures for the canal in excess of the receipts for the same period, with interest on the net outlay computed at 3 per cent annually, produce a total capital liability at the close of the last fiscal year of about \$535,000,000. The annual interest on this sum at 3 per cent is \$16,050,000. It is evident, therefore, as the tolls are now meeting only operating expenses

and interest on the investment, with no return of capital, any change in policy does not seem to be justified at the present time.

UNEXPENDED BALANCES

In the preparation of the estimates of appropriations contained in this Budget I have refrained (with the exception of one class of cases) from continuing the practice of recommending that the requirements for 1932 be met in part by a reappropriation, or extension of the availability, of unexpended balances of appropriations for the current or prior fiscal years. This practice effected an apparent reduction in the amount of an estimate of appropriation, but it did not affect in any way the amount of money to be withdrawn from the Treasury, and was to that extent misleading. As no saving resulted from such a practice, I felt that its discontinuance in framing the estimates for 1932 would result in having these estimates represent the true amount required and thus give a clearer and more accurate picture of actual requirements. The only cases in which the practice has been continued are those in which moneys appropriated for a specific nonrecurring project remain unexpended and it is necessary to continue the availability of the funds for the same purpose or purposes for which originally appropriated.

PAY OF FEDERAL EMPLOYEES

Under the classification act of 1923, as amended, and the application of that act to the field services by adjusting their rates of pay to correspond with those defined for the departmental service in the District of Columbia, there has developed through the years rather a wide difference among the several departments and establishments as to the relationship which the average of the existing salaries bears to the average of the compensation rates provided by law for the various grades of positions. In some instances the pay rolls show that the average has been approximately attained; in others that the grades are at least one step below the average, and in many cases two or more steps below the average. With a view to commencing the adjustment of this situation the estimates contained in this Budget carry for promotion purposes for each activity approximately 30 per cent of the amount required to bring all under-average grades up to the average. This will materially lessen the difference which now obtains between the many pay rolls, and if the same principle is followed for the next two or three years will eliminate such difference. It is estimated that it will require approximately \$14,440,000 to bring all under-average grades up to the average, and the estimates contained in this Budget provide for approximately 30 per cent of this amount.

While the percentage has been arbitrarily chosen and might be modified without affecting the purpose of eliminating discrepancies between and within the departments and

establishments, I believe any deviation from the general principle stated or any application of it to one department and not to another will defeat the purpose of providing "equal compensation for equal work," which was the expressed intent of Congress in enacting the classification act of 1923.

RECEIPTS AND EXPENDITURES FOR 1932

In preparing the detailed statements of receipts and expenditures contained in this Budget I have segregated trust funds from general funds and special funds. This has been done for the reason that trust funds do not belong to the Federal Government but to the beneficiaries of the trusts; and, in summarizing the financial condition of the Government, trust funds should therefore be excluded.

For the purpose of comparison with the estimates contained in the Budget for the fiscal year 1931, submitted last December, trust funds are included in the following summary of receipts and expenditures:

Summary of receipts and expenditures

[Exclusive of postal revenues and postal expenditures paid from postal revenues]

	1932	1931	1930
Total general fund receipts.....	\$3,852,401,738.00	\$3,611,634,871.00	\$3,840,921,014.26
Total special fund receipts.....	103,317,543.00	94,143,572.00	207,639,566.98
Gross trust fund receipts.....	3,955,719,281.00	3,705,778,443.00	4,048,560,581.24
	361,034,371.00	353,846,208.00	351,410,919.06
Deduct transfers from general to trust funds.....	4,316,753,652.00	4,059,624,651.00	4,399,971,500.90
	231,633,725.00	224,759,408.00	222,029,798.91
Total net receipts.....	4,085,119,927.00	3,834,865,243.00	4,177,941,701.99
Total general fund expenditures.....	3,792,382,700.00	3,761,149,100.00	3,641,944,363.81
Total special fund expenditures.....	132,651,300.00	123,625,000.00	220,135,655.99
Total trust fund expenditures.....	3,925,034,000.00	3,884,774,100.00	3,862,080,019.80
	361,118,925.00	354,927,208.00	354,102,266.20
Deduct transfers from general to trust funds.....	4,236,152,925.00	4,239,701,308.00	4,216,182,286.00
	231,633,725.00	224,759,408.00	222,029,798.90
Total net expenditures.....	4,054,519,200.00	4,014,941,900.00	3,994,152,487.09
Excess of receipts.....	30,600,727.00		183,789,214.90
Excess of expenditures.....		180,076,657.00	

Since the Budget for 1931 was compiled before the segregation of funds was effected the estimates contained in that Budget do not show this segregation. In analyzing the differences between the present situation and that indicated in the Budget for 1931 it is therefore necessary to deal with totals including trust funds, although in the future it is contemplated to consider in such comparisons only general and special funds which represent true Government transactions.

	1931		1930	
	Estimated in this Budget	Estimated in the 1931 Budget	Actual	Estimated in the 1931 Budget
Receipts.....	\$3,834,865,243.00	\$4,225,727,666.00	\$4,177,941,701.99	\$4,249,263,434.00
Expenditures.....	4,014,941,900.00	4,102,938,700.00	3,994,152,487.09	4,023,681,900.00
Surplus.....		122,788,966.00	183,789,214.90	225,581,534.00
Deficit.....	180,076,657.00			

1930

The fiscal year 1930 closed with an actual surplus of receipts over expenditures of \$183,789,214.90 as against an estimated surplus as contained in the Budget for 1931 of \$225,581,534. The latter figure, however, did not reflect the effect of the temporary reduction in income taxes recommended in that Budget and which it was estimated would exceed \$80,000,000 during the fiscal year 1930. As a matter of fact, the actual receipts during the fiscal year 1930 were about \$71,000,000 less than the estimate contained in the 1931 Budget. This was partially offset by a net reduction

in expenditures of \$29,500,000 below those estimated in the 1931 Budget. This net reduction consisted of various increases and decreases, including about \$74,000,000 decrease in the reduction of the public debt on account of certain foreign interest payments being made in cash instead of in securities, as had been anticipated.

1931

For the current fiscal year, 1931, there has been a material change in our financial situation as now estimated compared with the estimates presented a year ago in the 1931 Budget. At that time it was estimated that the receipts

would total \$4,225,727,666 and the expenditures \$4,102,938,700, which forecasted a surplus of \$122,788,966. Here, again, the surplus estimated did not reflect the effect of the temporary tax reduction recommended in that Budget, which it was anticipated would cause a reduction of over \$75,000,000 in the receipts for the fiscal year 1931. Therefore, with this adjustment the surplus estimated at this time last year would have been about \$45,000,000.

Due to the depression it is now estimated that the income of the Government in taxes and in postal receipts for the current fiscal year will probably fall below the anticipation by over \$430,000,000. Moreover, the measures taken to increase employment by the expansion of construction activities in the Government under the authorization of Congress, together with other items of increase, including the increase in veterans' services enacted by Congress, represent a very material increase in Government expenditures of over \$225,000,000.

This would indicate a change in the situation from the estimates of the last Budget of nearly \$655,000,000. This large sum, however, is partially met by the application of \$185,000,000 of interest payments on the foreign debt to current expenditures and by arrangements of the Federal Farm Board by which they reduced their net cash demands upon the Treasury by \$100,000,000 during this period. These sums, together with economies brought about in the Government, reduce the practical effect of the change in the financial situation to a present estimated deficit of approximately \$180,000,000 for the current fiscal year.

This development, of course, is primarily due to the depressed condition not only in this country but in the whole world, accentuated by the drought, and, on the other hand, to the necessary measures of the Government to increase employment, and the increases of allowances to various services to veterans.

I do not look with favor on any attempts to meet this deficit by reduction of the statutory redemption of the public debt, which now amounts to about \$440,000,000 per annum. Nor do I look with great concern upon this moderate deficit for the current fiscal year, which, in fact, amounts to less than 5 per cent of the total Government expenditure. The adverse balance can be met by reducing the general fund balance from the amount in it at the beginning of the year, supplemented, if necessary, by temporary borrowing by the Treasury. When we recollect that our Budget has yielded large surpluses for the last 11 years, which have enabled us to retire the public debt, in addition to retirements required by law, to the extent of nearly \$3,500,000,000, we can confidently look forward to the restoration of such surpluses with the general recovery of the economic situation, and thus the absorption of any temporary borrowing that may be necessary.

It will probably be necessary for Congress to appropriate additional money for expenditure within the present fiscal year in order to increase employment and to provide for the drought situation. I have presented this matter in my annual message on the state of the Union. While this will operate to increase the amount of the deficit as above estimated, I believe such increase can be accommodated by the methods indicated. On the other hand, no appropriations should be made for such purposes which look beyond such action as will ameliorate the immediate situation during the next six months.

TAXES

The estimate of receipts for 1932 is predicated on the existing income tax law. The Congress granted a substantial reduction in tax rates upon incomes of the calendar year 1929. I wish that it were possible to continue this reduction for the taxes upon incomes of the calendar year 1930. I regret that the present outlook for heavy decrease in probable income and the necessity to increase public works and aid to employment does not warrant the continuation of the reduction at the present time. The difference in revenue between the tax rates upon incomes authorized for the calendar year 1929 by the joint resolution approved December 16, 1929, and the rates specified in the revenue

act of 1928 is approximately \$160,000,000. If our expected revenues for 1932 were reduced by this amount a deficit for 1932 as well as 1931 would now appear to be inevitable. I am confident that the sentiment of the people is in favor of a balanced Budget. I am equally confident that the influence on business of having the financial affairs of the Federal Government on a sound basis is of the utmost importance.

CONCLUSION

For the fiscal year 1932 the favorable margin between our estimated receipts and estimated expenditures is small. It will not take much to exhaust the expected surplus. In fact, it is inevitable that some portion, and perhaps a considerable portion, of it will be required to meet the settlement of judgments and claims and the cost of other contingencies or emergencies which can not now be foreseen. On the receipt side credit has been taken for all revenue that can reasonably be anticipated. In the expenditure statement there have been covered the amounts which reasonably can be estimated as necessary to meet the obligations of the Government under present law. This is not a time when we can afford to embark upon any new or enlarged ventures of government. It will tax our every resource to expand in directions providing employment during the next few months upon already authorized projects. I realize that, naturally, there will be before the Congress this session many legislative matters involving additions to our estimated expenditures for 1932, and the plea of unemployment will be advanced as reasons for many new ventures, but no reasonable view of the outlook warrants such pleas as apply to expenditures in the 1932 Budget. I have full faith that in acting upon these matters the Congress will give due consideration to our financial outlook. I am satisfied that in the absence of further legislation imposing any considerable burden upon our 1932 finances we can close that year with a balanced Budget.

When we stop to consider that we are progressively amortizing our public debt and that a balanced Budget is being presented for 1932, even after drastic writing down of expected revenue, I believe it will be agreed that our Government finances are in a sound condition.

HERBERT HOOVER.

DECEMBER 1, 1930.

TREASURY AND POST OFFICE APPROPRIATION BILL

Mr. WOOD, from the Committee on Appropriations, reported the bill (H. R. 14246, Rept. No. 2068), making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1932, and for other purposes, which was read the first and second times and, with the accompanying papers, referred to the Committee of the Whole House on the state of the Union and ordered to be printed.

Mr. BYRNS. Mr. Speaker, I reserve all points of order on the bill.

The SPEAKER. The gentleman from Tennessee reserves all points of order on the bill.

Mr. WOOD. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 14246, the Treasury and Post Office appropriation bill; and pending that motion, ask that some arrangement be made with reference to general debate.

Mr. BYRNS. Mr. Speaker, I have numerous requests on this side for time. I suggest that we run along to-day, dividing the time equally, and we may be in a better position to-morrow to determine upon how much time we need.

Mr. WOOD. Then, Mr. Speaker, I ask unanimous consent that general debate be not limited at this time, but that it be divided equally between the two sides, the gentleman from Tennessee [Mr. BYRNS] to have charge of one-half of the time on that side and I to have charge of one-half of the time on this side.

The SPEAKER. The gentleman from Indiana moves that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the Treasury and Post Office Departments appropriation

bill, and pending that asks unanimous consent that for to-day general debate be equally divided and controlled between himself and the gentleman from Tennessee. Is there objection?

Mr. BLANTON. Mr. Speaker, for the purpose of getting some information I reserve the right to object. When will we have the benefit of the chairman's speech on the bill? I am sure the Members want to hear his opening speech.

Mr. WOOD. I shall not make my speech to-day.

Mr. BLANTON. Will the chairman tell me why it is that the old-time practice has been changed in respect to making the opening speech on an appropriation bill? The time was when the chairman of the committee made the opening speech and made a full presentation of what the bill contained. I notice that recently that practice has been discontinued.

Mr. WOOD. It was changed in order to save time and expedite business. We found that many speeches made after the opening speech were made in criticism and there was no chance to reply, and in order that the House might have full presentation of the matter and that I might have a chance to answer any criticism that might be made, I felt that my speech should be made after the others.

Mr. BLANTON. Then the chairman's speech will come to-morrow?

Mr. WOOD. Yes; unless you gentlemen talk too much.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The SPEAKER. The question is on the motion of the gentleman from Indiana that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the Treasury and Post Office Departments appropriation bill.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the Treasury and Post Office Departments appropriation bill, with Mr. MICHENER in the chair.

The Clerk reported the title of the bill.

Mr. WOOD. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. WOOD. Mr. Chairman, I yield 40 minutes to the gentleman from New York [Mr. LaGUARDIA].

Mr. LaGUARDIA. Mr. Chairman and gentlemen, this Congress is faced with a crisis such as few Congresses in the history of the Republic have had to meet. If the Republic were threatened with an attack by the strongest nation in the world, there would be no question as to our power in marshaling the resources of the country to save the Republic.

If at this moment an individual falls on the street from starvation, municipal, State, or Federal Government will send an ambulance to his aid, stop traffic in getting that ambulance there, and bring him to a hospital and give him kindly and necessary aid, and restore him to life only to be turned loose again to starve. If a person breaks into a bank and he is caught he will have a judicial investigation of his conduct, a trial at great expense, and if guilty the State will provide him a sanitary room, proper diet, clothing, care, and recreation for a certain term. Yet we stand here as a Congress in despair and helpless to know what to do to meet a crisis of unemployment so great that it may threaten the very safety of our Republic. It is of no aid to know that there is distress, unemployment, and suffering in other countries, except that we can at least profit by the experience on this problem of other countries. We can at least examine and study measures taken by other countries to alleviate distress and their attempts to prevent suffering and hunger in periods of distress. I will concede that conditions are different in our country. Yet we can not close our eyes and ignore what has happened and is happening in other countries. By studying conditions and remedies we might be better able to solve our own immediate problem.

We have our own immediate problems to solve. The cause of unemployment in this country is quite different from that in other countries. Other countries are suffering from unemployment and distress generally owing to overpopulation, industrial inefficiency, or poverty. The greatest factor of unemployment in this country, as I see it, is our efficiency together with our wealth.

Mr. JOHNSON of Texas. Mr. Chairman, will the gentleman yield?

Mr. LaGUARDIA. Not at this moment. Our situation is not temporary, and, gentlemen, you will be making a great mistake in your legislative enactments if you consider unemployment as merely something temporary or spasmodic. With all due deference to the recommendations that have been made to the Congress that only temporary relief is necessary and essential, and of course it is, yet temporary relief is not the solution of our problem. You can authorize an appropriation for all the public works that you will, but there will come a time when resources for public works will be limited. That will not be sufficient. You are faced now with a deficiency of over \$100,000,000. Recommendations have been made for additional public works, but no legislation has been enacted to provide means for carrying them forward. I would make provision for public works continually, work out all necessary engineering details and legal preliminaries so that such work could be immediately started and actual construction begun when needed as unemployment relief. But the number of employed is negligible on all the public work imaginable compared with the number of unemployed to-day. The thing to do is to prevent unemployment instead of just scratching the surface when millions of men and women are in want.

Cooperation between the Federal Government and the States and municipalities for temporary relief, of course, is highly desirable. But there should also be something done for permanent relief. If you will look up the figures of unemployment you will find our unemployment is increased progressively each year, regardless of our prosperity or so-called good times.

We are told that our efficiency in production and industry is so great and our industries are so wealthy in this country that, unlike the industries and needs of other countries, notably European countries, American industry can afford to acquire every new machine invented and thereby increase its output, reduce production cost—all resulting in less human labor employed. Yet we can not stop progress. We do not want to stop progress. We can not stop the utilization of machinery. But under our machine-producing methods all the advantage goes into capital and all the burden falls on labor. A readjustment is absolutely necessary and inevitable. Labor-saving devices can produce twice the output at one-half cost with 33 per cent less of human labor.

The result is that for several years American production has increased and employment has comparatively decreased. Whether it is shoes, steel, razors, automobiles, cigars, or even transportation, improved methods of production and labor-saving machinery have increased output and decreased employment. Such a system may work to the advantage of the manufacturers or, to be perfectly plain, to the owners of the machinery for a while. Eventually there is bound to be a glut of overproduction in the sense that there is not sufficient purchasing power to consume the productions of these industries. To date the owners of machinery have enjoyed the benefits of improved methods of production at the cost of human labor. But what good will it do to have machines to produce goods if human beings who are to consume these same goods have not the power to purchase. American manufacturers must never forget that machines may make their products, but human beings make the market.

Our great difficulty in dealing with this problem is not because a solution can not be found. Our trouble is to bring this solution into being. Had we but one Government I do not believe that Congress would hesitate to pass necessary regulatory laws and bring about a readjustment of the relation between capital and labor to fit the mechanical age in

which we are living. Our great difficulty is, instead of having one Government, we have 49 governments. There are 48 sovereign States, and no one will question that under a strict interpretation of the Constitution, the limited powers delegated to the Federal Government, each sovereign State has retained jurisdiction over such matters involved in bringing about such a readjustment. Many of the States have seriously endeavored to keep abreast of the times. Many of the States have enacted legislation to meet new methods of production, use of machinery, and to safeguard the interest of the workers. Many of the States have passed laws prohibiting the employment of children in factories. Many States have real effective factory laws and laws regulating the working hours of women. Employers' liability laws, which at one time were considered radical and extreme—I will not say bolsheviki, because the word did not exist at the time—have been enacted in many States. Injured workmen who at one time became public charges together with their families are now properly provided for. Many of the Members here may well remember that when machinery first was used on a large scale in factories the situation arose whether the old rules of the common law concerning injuries sustained while working could continue to be applied in the modern mechanical age.

At that time constitutional objections were immediately presented. How about the fellow-servant rule? How about assumption of risk and contributory negligence? How could an employer be held responsible if one of his workmen was injured through the negligence of another? That would be depriving him of his property without due process of law. Such objections were held sound for a long time, but the continued use of machinery, the introduction of high-powered machinery soon brushed aside all legal and constitutional arguments in opposition, and many of the States have enacted employers' liability laws. Workers are now cared for when they are injured while employed. Old principles of the common law which held for centuries became obsolete as machinery became perfected. And so it is with many other fundamental changes in law and constitutional construction which have been brought about by reason of changed conditions under which we are living. But many of the States that have been progressive and that have attempted to keep their laws abreast of progress have found all of this to their disadvantage. Why? For the simple reason that many States have remained backward. Many States have failed to pass State child labor laws, proper employers' liability laws, effective factory laws. Not only have many States failed to pass such necessary and beneficial laws but have advertised that fact.

The result is that industries have been attracted to such States, while industries remaining in the States desiring to protect the interests of the workers find that they must meet most unfair competition. Such competition is manifestly unfair both to the industry and to labor. It is well known that many industries, and we need only mention the textile industry, have been attracted from one State to another because of the fact that child labor was available. Every time a child is employed in a factory it means that another adult worker has been thrown out of work and the child taken out of school. The first thing that we must do is to bring about uniform State laws, uniform labor laws in all of the States. There should be a uniform child labor law in every State as well as the other measures which I have just mentioned. Of course, the easiest way would be a constitutional amendment giving Federal Government jurisdiction in these matters. I do not suggest a constitutional amendment at this time, regardless of how I may feel about it. The reason is people of this country are not yet ready to accept another constitutional amendment. I firmly believe that the havoc, wrath, and disappointment following the eighteenth amendment has made ratification of constitutional amendments difficult for a long time to come. That is the reason in my opinion that the child-labor amendment was defeated. I feel though that it is possible to get the States together and to agree upon uniform laws.

While it is well to talk about State rights, we must not forget that States are more interdependent now than ever

before. We have had an economic unification of the country. Cable, telegraph, wireless, radio, transportation, railroads, canals, steamships, and airships have made 1 State out of 48. When we have unemployment in New York you will have it out in Indiana, and when the farmers are in distress we will feel it in industrial centers. While at one time each Colony or each State had its own economic problems, to-day the economic unification of the country is such that the economic problem of a State just can not be solved by the State alone. We must work together in this proposition, because distress in one section of the country is immediately reflected in other sections of the country.

Now, can we do something to urge all the States to get together, not through the National Congress, because we have our own particular function, but to meet and agree upon model, uniform State laws, and then have those model laws referred back to each of the States with the force of public opinion back of them and obtain their enactment by each of the States. I have such a resolution now pending.

Gentlemen, just consider if we had a uniform child labor law, and I have yet to hear a man stand up and oppose restriction of the employment of children of tender years in factories. I have heard many arguments on the constitutionality of a Federal child labor law; I have heard arguments against the enactment of a constitutional amendment increasing the powers of the Federal Government to regulate child labor, but I have yet to hear anyone who dared stand up and oppose restriction of the employment of child labor on its merits. That being so, as I have just stated, suppose we had a uniform child labor law in each of the 48 States preventing the employment of children in industries and in factories, that would immediately give work to several hundred thousand men and women. It has put these children back into school and given them the opportunity their American birth entitles them to.

Suppose we had a uniform employers' liability law in each of the States. To that extent it would relieve poverty in cases where the workers were injured in the course of their employment. And it would equalize the overhead costs of production and eliminate at least that factor in competition that now exists between industries in various sections of the country. Suppose we had uniform State laws regulating factories as to light, ventilation, and floor space—that, too, would decrease the number of dependents who become public charges by reason of laboring in insanitary and unsafe surroundings and becoming dependent by reason of vocational disease.

I do not want to shock some of my more conservative friends, but suppose we had proper State care of superannuated workers—that would immediately take care of and make place for several hundred thousand younger men and women. As it is now, the question of superannuated workers is a problem in each State. It is difficult for a man with a tinge of white hair to find employment in a factory to-day by reason of the speed of production and the use of machinery. We have the problem in every large city of men in the fifties simply unable to find work. What is to become of these men? The number is increasing. They must be cared for. It is part of the cost of the industry. Either directly or through the State these men must be cared for.

Gentlemen, we are talking, officially and otherwise, about overproduction. Overproduction. Overproduction is true as a fact only when there is no further need for a particular commodity. You can not talk of overproduction in wheat; you can not talk to me about overproduction in flour, when we have hungry people in the city of New York and there are hungry people all over the world. We may be suffering from lack of ability to purchase, but there is a marked difference between lack of ability to purchase the necessities of life and overproduction of the necessities of life.

If all the people in our industrial centers were sufficiently nourished, if all the children in our industrial centers could have an extra piece of bread, butter, and molasses every afternoon, there would be no overproduction in the farming districts.

Mr. VESTAL. Will the gentleman yield?

Mr. LaGUARDIA. I yield.

Mr. VESTAL. What does the gentleman say about uniformity in the hours of labor, and the fact that they should be reduced?

Mr. LA GUARDIA. I am coming to that. I am trying to administer this medicine in graduated doses. I do not want to shock my conservative friends too much. So, in my opinion, all this talk of overproduction when people are in need of the very commodities that are in the warehouses, in the storage houses, and in the elevators has been overplayed.

I think it was stated yesterday about the price of butter being 30 per cent more in New York than it is in Copenhagen. My good friend, Farmer STRONG of Kansas, told me to-day that eggs were selling at 14 cents a dozen out his way. Why, gentlemen, eggs have become a luxury in my city. You have either got to be sick or a millionaire to eat eggs regularly. The old American breakfast of oatmeal, ham and eggs, buns, butter, and coffee simply does not exist any longer. Not in the city for the workingman, anyway.

Mr. ARENTZ. Why do you not drive out the racketeers?

Mr. LA GUARDIA. I will join in any suggestion the gentleman from Nevada may have to drive them out. The gentleman, perhaps, is trying to get me onto another subject. I believe I know the gentleman has in mind oppressive methods employed in the distribution and retailing of certain commodities. That is another subject. When good, wholesome Americans are willing to work but can not find employment and when the heads of families see their children are not getting sufficient nourishment, something is wrong with our economic system. We can not dodge responsibility. That rests with us as national legislators. A cure must be found. A repetition of the present suffering must be prevented. To save the lives of American workers just can not be unconstitutional.

The gentleman from Indiana [Mr. VESTAL] has asked me what I have to say about shorter hours. Why, gentlemen, shorter hours are coming, just as sure as we are sitting here to-day, and it is our job to bring them about in a constructive way before we are forced to do it.

I remember a time—and it is only 17 years ago—when we were working the tailors and garment workers in New York 60 hours a week. They went on strike. It was a long strike during the winter months. They finally went back to a week of 54 hours, and that was considered a great victory. However, we no longer think in terms of 54 hours. We no longer think in terms of even 48 hours.

What good is it, gentlemen, if industries so handle and exploit labor as to create a situation in which a large proportion of the population is unable to buy what the minority and machines are producing? Anyone with any vision will concede that industry must adjust itself to these new conditions.

If we employ all of the people of the country, we will find that we have thereby immediately created a market for our production, whether it be agricultural or industrial. After we have passed upon the basic legislation as to child labor, superannuated workers, employers' liability, minimum wage for women, old-age pension, and factory laws then we come right down to the practical proposition: How are we going to extend the enjoyment of machinery to the whole country? You can not avoid that, gentlemen. There is only one answer. A reduction of the daily hours of work and a reduction of the weekly hours of work. Perhaps six hours a day, five days a week. Less profits, more work, more consumption, better times, happiness.

I know some one will say that will create idleness. Yes. It will create an opportunity for education, for recreation, for travel, for enjoyment of life. Of course it will. But it all creates work for others—theaters, clothes, transportation, books, libraries, schools—all important in our modern life.

We went way ahead of other countries in labor conditions and we prospered by it. We must now go to the very root of our troubles and adjust the relations between employer and employee, and between the producer and the consumer, so as to utilize machinery, enjoy the advantages of progress, and yet employ all of our people.

Some one will say that is all right in theory, but how are you going to do it? Where is it going to come from? I will tell you where it will come from. It will come out of profits. There is where it will come out of. It must come out of profits. But it will mean security and peace, both to business and to our people.

Why, gentlemen, did you notice the figures given in the President's message yesterday—and the President was rather conservative in his figures? Although there has been an increase in unemployment there is an increase in the surplus, resources, and deposits of the banks of the country. That bears out my contention that unemployment is not due entirely to poverty, such as it is in Germany.

It is not due to the inefficiency of industry in not keeping abreast with modern systems of production, such as is the case in England. It is not due to overpopulation, such as is the case in Italy. It is because, as I said before, we are so efficient, and we have so many resources that we have, gentlemen, a margin which will permit us to adjust ourselves, decrease the hours, employ more people, and decrease the week. As I have just stated, it will create an opportunity for recreation—a big industry in itself—for travel and for more education. That is all necessary to the make-up of our modern life.

So let us not stand here idly and say this is going to adjust itself. Gentlemen, it will not adjust itself. We may pull through this crisis in a few months, but it will recur in just a few years. We must prevent a recurrence; we must eliminate the fear of unemployment, now the worry of every American workman.

We are always prepared for great emergencies of prosperity. In 1914, when the greater part of the world stopped producing, Germany, France, Belgium, England, and Russia were at war. We came up to the situation immediately and we were furnishing the markets of the entire world. We not only furnished the markets of the warring nations but we immediately provided South America, Asia, and Australia all the imports they were previously receiving from Europe. We measured right up to that emergency. Then when the war was over, in 1919 and 1920, we thought we had the world. We thought we were sitting on top of the world. We were still exporting to South America and we were still exporting to Europe. Why? Because the warring nations had not yet gotten themselves on a production basis. But the minute Germany started to produce and the minute England put itself on a production basis you saw our South American markets slip by and we lost them.

So the period of prosperity we had from 1914 to 1920 was because of world conditions. We had the entire world as our market, and yet during all of that time there seemingly was not sufficient vision to see what would happen, and we just kept going right along thinking prosperity would last forever. We know that it can not and therefore we must provide ahead for periods of depression.

Now we are confronted with these cold and hard facts of unemployment and of poverty. I have said this many times on the floor of this House, but I repeat it. The minute depression hits my city it is immediately reflected in your farming districts.

Now, what would I suggest? I do not see why we can not authorize the President of the United States to call a conference of States for the purpose of agreeing to model and uniform State labor laws. We can appropriate for the expense of that conference. We will not be infringing upon the prerogatives of the States or upon State rights, because it will be their own conference, called for one specific purpose. They have sufficient information available and they can there agree on what should be the minimum, model laws to take care of industry in this mechanical age, and then submit the proposition to each State.

It is a long process, I know, but we must make a beginning some time. We are always ready to see constitutional objections to every constructive proposition. Other countries have been forced to adopt some kind of unemployment insurance, but each of these countries had to begin unemployment insurance in the midst of a crisis, and naturally

those countries ran into a deficit. But we are in a position to study that question and get the benefit of the experience of England, Germany, and other countries. Then we can, by cooperating with the States, adopt a system of unemployment insurance so as to make the dread of starvation and poverty impossible in every American home. [Applause.]

Of course, it costs money and, of course, it takes courage to suggest any such radical, if you please, innovation as that. But you know, gentlemen, that the American farmer and working men and women are thinking. They can not be permitted to starve. Of course, they are thinking, and there is nothing more conducive to that than an empty stomach.

We had before us in the last Congress a bill providing for a system of national employment agencies. First the committee and then the House saw fit to amend that bill. It is in conference now. The bill should be passed as originally introduced. The national employment bill should likewise be enacted into law.

We must have some clearing house for labor, and if you want to eliminate all the vice that now exists in bringing down wages, in creating more bitter competition in the labor market, you must eliminate the private employment agency, and this can be brought about by creating a national employment agency, cooperating with the States as provided in the bill S. 3060, which will establish a central source of information on labor conditions and provide a clearing house for employment, orderly systematized and organized.

Gentlemen, all of these questions must be considered by this Congress, whether it is a short session or any other kind of session. You can not feed people with statistics. We have had more investigations, more commissions, more researches than we can digest, and it is time for some drastic action.

I do not know what we are going to do if all the public works that we have appropriated for are put into construction. May I pause here for a moment to suggest that if the President of the United States really desires—and I am sure he does—to spend the money which we have heretofore appropriated for public works, he would better look into the Treasury Department and into the architect's office and get some men there who can speed up the blue prints so we can start to dig and do some building.

The CHAIRMAN (Mr. WOODRUFF). The time of the gentleman from New York has expired.

Mr. LA GUARDIA. I am sorry. I just got started. [Applause.]

Mr. BYRNS. Mr. Chairman, I yield myself 20 minutes.

Mr. Chairman, it is not my purpose to discuss the bill which is pending before us. The chairman of the committee will doubtless later on take the bill up in detail and analyze it for the benefit of the membership of the House. For more than three weeks the subcommittee on the post office and Treasury appropriation bill has been conducting hearings in preparation of the bill before you. These bills are never considered from a partisan or political standpoint, and the Democrats of the Appropriations Committee will cooperate in every way possible with the majority members in the effort to promote economy and to bring about the speedy passage of all the regular annual appropriation bills by the House.

I wish to devote a very few minutes to a discussion in a general way, because I have not had an opportunity to study the message of the President which was read to-day or the annual message of the President, which was read upon yesterday.

May I say here that I somewhat regret the practice that has grown up in the last six years in the presentation of most of the appropriation bills in that the chairman, or the gentleman in charge of the bill, delays his remarks explaining the bill until the close of general debate.

There has been some criticism expressed to me of this practice, and while I have no personal criticism to offer of this practice, which, as I say, has prevailed with respect to some of the bills for the last six or seven years, I do think in the interest of those of the membership who are called upon to vote upon these measures and who desire to hear

some explanation of them, it would be more agreeable if the opening remarks in general debate upon these bills came from the gentleman who has particular charge of the bill. Members would then know when the bill would be explained and would thus make it a point to be on hand, and it certainly would be more satisfactory to some of us who do not want to anticipate our chairman in what he may say with reference to some of these appropriations.

Everyone realizes the widespread depression and unemployment which have existed throughout the country for many months, and to which the President gave the greater part of his attention in his message of yesterday.

The President told us in this message there was little hope of any relief in the next few months, although he did say he did not believe that any appropriation should be made for the purpose of taking care of unemployment for a longer period than six months, intimating that he had the hope and the belief that this depression and unemployment would be over by that time, and, of course, we all sincerely join in that hope.

But I was somewhat amazed at the remedy proposed by the President to relieve unemployment. Several months ago it was widely published over the country that an expert had been brought here from the city of New York and established in offices with considerable clerical force in the Department of Commerce. It was said that he was brought here for the purpose of assisting in relieving unemployment and advising with the President.

When this question of depression and unemployment became acute I do not suppose there was a man, woman, or even child who did not think of the idea that one way to relieve it would be to increase and speed up public works. So there was nothing new and nothing constructive in the message of the President when he asked for an appropriation for that purpose; but I had hoped that with the aid of this expert from the city of New York there might have been some constructive proposition submitted to the Congress which would really relieve the situation.

I have said I was surprised at the proposal of the President that Congress, the responsible appropriating body, and this House, which has time and time again expressed its disapproval of lump-sum appropriations, should appropriate and hand over to him the huge sum of from one hundred to one hundred and fifty millions. Mind you, it was his proposal, not that Congress appropriate for certain specific functions which had been recommended by him, but the money was to be put into his hands and he was then to select a committee from among his Cabinet to expend this sum according to their judgment—not the judgment of Congress. It would be as reasonable for him to ask Congress to make a lump-sum appropriation for every Government department—to be expended as the President and his Cabinet should see fit.

I have the highest respect for every member of the Cabinet. I recognize their probity and their patriotism; but as a Member of the House, charged with the responsibility of appropriating the money of the people, and primarily responsible to the people for these appropriations, I am unwilling by my vote to appropriate the huge sum of one hundred to one hundred and fifty million dollars without having some information as to just where and how the money is going to be expended, by what department it is going to be expended, and in what sections of the country it is going to be expended.

The President states in his message that he has had a survey made of the departments and that he has information as to just how much each department can use in the way of construction work. Certainly Congress is entitled to have that information. Certainly Congress is entitled to have the Budget Bureau, created for this purpose, send us estimates showing just how much money is going to be used and in what way it will have the effect of speeding up the building program and giving employment to labor.

Let me say here that I stand ready to vote for every dollar that is necessary, or that is believed to be necessary, to relieve the present depressed condition throughout this

country. [Applause.] I feel I can, as one of its humble members, speak for the Democratic side and give assurance that no Democrat will offer the slightest objection to any appropriation that is designed for that purpose. On the contrary, we join with you gentlemen on the other side in every effort you may make to relieve the distressed situation which exists throughout the country. [Applause.] But for one I wish to be advised as to what is proposed, and certainly Congress is entitled to that information.

Let us see what speed has been made heretofore in the construction of public buildings.

This situation did not grow up overnight. It has existed for months and months and months. It began with the great stock panic in Wall Street in the city of New York. Ever since that time business has been going to pieces. Men and women have been losing their jobs and farm prices have been going down.

So I say it is not a sudden thing. What progress has been made up to this time in the construction of public buildings? I recall two cases in my own State, and I daresay you gentlemen have personal information as to cases of a similar kind in your States.

In the last deficiency bill, which passed July 3, 1930, an appropriation was made for a public building in Chattanooga and one in Knoxville, Tenn., neither of which are in my district. Yet to-day not even a site has been selected.

One gentleman who went to Knoxville to look over and select a site a few days ago is quoted as saying that it would be eight or nine months before the Government would begin work on the post-office building in the city of Knoxville, Tenn. And yet they have got to-day in the Treasury of the United States to the credit of the building fund \$72,558,000. If the administration is so anxious to provide work and that money has been lying there in the Treasury idle, why is it that these buildings have not been put under construction?

Do not misunderstand me. I am not indulging in criticism of any public official; but I am saying that when the country is told that we need \$100,000,000 or \$150,000,000 to speed up the construction of public buildings in order to take care of unemployment this winter, and that if such an appropriation is made it will have that result, the facts now at hand do not justify such a statement.

I am perfectly well aware that in the large task of constructing public buildings over the country time is needed. I wish to repeat that I am not offering any criticism of those who are in charge of this work. Hon. Ogden Mills, the Undersecretary of the Treasury, in discussing the appropriation of \$60,000,000 carried in this bill, and also the balance on hand, said:

It may well be, in view of the expanding building program, that an additional appropriation will be needed 12 months hence. In other words, we will be in a much better position in December, 1931, to know how much can actually be expended in the fiscal year than we are to-day.

They have \$72,000,000 now, and this bill carries \$60,000,000 in addition, making \$132,000,000 which will be at the disposal of the Treasury Department for the acquisition of sites and construction of public buildings. Do you know how long it takes to get a title through the Department of Justice after you have selected the site? It takes on an average of four months for the Department of Justice to pass on the title. Then after the title has been approved deeds must be passed; then plans and specifications must be drawn for the building, and bids must be called for; advertisements made, and after the lowest bid has been received and accepted contracts must be entered into and passed on by the legal authorities.

What about other public works? There is the construction of roads. There could be a good deal more money expended on roads, of course. That money could be distributed among the States, and let me say here that if it is done and legislation is passed, I want to see some of that money put upon what we might call the small market roads out in the communities, rather than upon the great highways, upon which most of the money has been expended in the past. However, under the law as it exists to-day, the States must cooperate with the Federal Government. Un-

der the law as it exists to-day, the States must match dollars with the Federal Government. How many States of this Union are prepared to put up their part of the money necessary to insure this increased appropriation from the Federal Government? Many of their legislatures are not in session in order to meet the increased appropriation. Congress will have to change the law so as to permit this money to be appropriated and distributed to the States without cooperation, but when it does it I am unwilling to let even the President of the United States, for whom I have great respect, say how much shall be given to this State and how much to that State.

Congress has passed upon that, and has provided that it shall be distributed according to the mileage in public roads and the population of the States in order to be fair and not to discriminate. The agricultural bill, which will be reported shortly, will carry, I think, \$125,000,000 for the building of public roads. That money can be made immediately available. I have no objection to increasing that amount, but I think a great deal has been said through the newspapers which has had the effect of creating the impression throughout the country that when Congress appropriates \$100,000,000 to \$150,000,000 and puts that money in the hands of the President the whole problem will be solved. The President stated in his message yesterday that in this year, 1930, there were \$7,000,000,000 in contracts for construction and betterment upon the part of public-utility companies and other great corporations. One hundred and fifty million dollars is not 2 per cent of that amount, so one can see how little additional relief this is going to give to the millions of men and women who are out of employment to-day and to their dependents.

Money can be spent in increasing amounts upon river and harbor work. The President and the Budget have only recommended an increase of \$5,000,000 for the next year over what we had last year, or \$60,000,000 to be spent in the way of flood control.

I have called attention to these facts in the hope that the country will not be deceived by this claim that simply by the appropriation of \$100,000,000 to \$150,000,000 this whole problem is going to be settled.

There is one other subject of which I wish to refer and that is the question of the Budget, which was submitted here to-day. As I said at the outset, I have not had an opportunity to analyze it. I have contended for many years that the expenses of our Government for ordinary operations were increasing rapidly every year, and this year is no exception. Mind you, these estimates do not relate to the additional appropriations necessary for speeding up work and increasing work of public construction. The estimates for 1932 amount to \$4,667,845,468.07. The appropriations for 1931 were \$4,437,342,585.22, or an increase for the next year over the present year of \$230,502,882.85. These are the estimates for the regular annual appropriation bills. You and I know that there will be deficiency bills at the next session of Congress, which will add to the amount of appropriations necessary to carry our Government through 1932. And this increase is made despite the fact that there is a saving in interest on the public debt of \$22,000,000 next year over this year and despite the fact that owing to a balance in the Treasury it is not necessary to appropriate \$28,000,000 for the increase of the Navy and major alterations of the larger vessels. Also, it is made in spite of the fact that the appropriation for 1932 carries \$104,000,000 less than was carried for the present year for the purpose of making tax refunds.

As I have stated, these expenses relate to the ordinary expenditures of the Government. The total expenditures as stated by the President, exclusive of postal expenses, amount to \$4,286,152,925, and if you will add to that the postal expenses, which are as much a part of the expenditures of the Government as those of any other department, and for which we appropriate, of course, in the pending bill for the next fiscal year, you will have, according to the President's figures, over \$5,000,000,000 of expenditure for 1932, a greater amount than we have ever had to expend in peace times

except in 1921, when we were still paying for the hang over of the World War and had an army of occupation in Germany.

The President states that there will be a deficit of over \$180,000,000 at the close of the present fiscal year. A year ago he estimated there would be a surplus of more than \$200,000,000, and Congress thereupon reduced the income tax for the year 1929 in the sum of \$160,000,000, and this fact was used in the last election as one of the great accomplishments of the present administration. Now, after the election it appears that instead of a surplus there will be a deficit and that the taxes obtaining in 1928 must be restored.

Those expenses are increasing, and increasing steadily.

Mr. LINTHICUM. Mr. Chairman, will the gentleman yield?

Mr. BYRNS. Yes.

Mr. LINTHICUM. What is the increase under the prohibition enforcement act?

Mr. BYRNS. That is not in this bill. The Bureau of Industrial Alcohol has an increase of \$479,000 in this bill.

Mr. LINTHICUM. What is the amount of the Budget increase?

Mr. BYRNS. I understand the Budget carries an increase of \$2,000,000 for the enforcement, making a total of about \$17,000,000 for enforcement, with \$5,000,000 for industrial alcohol.

Mr. LINTHICUM. And then how much for the Coast Guard? How much is appropriated for that?

Mr. BYRNS. Thirty million dollars, of which \$16,000,000 or \$17,000,000 is on account of prohibition.

Mr. LINTHICUM. And the more we spend the less we enforce.

Mr. BYRNS. Well, that may be true in some cases. Of course, the gentleman and I are not responsible for that.

Mr. LINTHICUM. It is certainly true in my section.

Mr. BYRNS. Well, I think it is true in nearly all sections, to a certain extent, but perhaps that is not altogether the fault of the law.

Mr. HASTINGS. Mr. Chairman, will the gentleman yield?

Mr. BYRNS. Yes.

Mr. HASTINGS. Has the gentleman before him the figures relating to permanent and indefinite appropriations?

Mr. BYRNS. I can give them to the gentleman. The permanent indefinite appropriations for the year 1932 amount to \$1,075,369.89.

Mr. HASTINGS. I thought it might be interesting for the country to know that these figures include permanent expenditures.

Mr. BYRNS. I included permanent indefinite appropriations.

Mr. LINTHICUM. Is the appropriation for the Postal Department less than that of last year's law for the current year?

Mr. BYRNS. No; it is greater.

Mr. LINTHICUM. There is dissatisfaction in my city, and I presume everywhere, on the ground that there is not the same general delivery, and the people are dissatisfied. Why, then, should it take more money?

Mr. BYRNS. It is due to the natural increase and growth of the Postal Service. It is a growing service. More letter carriers and clerks are needed. There is a steady 4 per cent growth in the Postal Service every year on the average. For that reason postal expenditures naturally increase, though not to the extent of 4 per cent, because the Post Office Department does not estimate for the full increase of 4 per cent. But there is a necessary increase.

Mr. LINTHICUM. Has the gentleman any information as to the cause of the increase in industrial alcohol? Is that because more alcohol is used? Why is that?

Mr. BYRNS. Well, the gentleman is a distinguished leader of a certain number of gentlemen in the House, as—

Mr. LINTHICUM. Distinguished but not extinguished. [Laughter.]

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. BYRNS. I do not wish to consume any more time. I will probably have something to say on the Budget estimates at a later date. [Applause.]

Mr. WOOD. Will the gentleman from Tennessee yield some time to some Member on his side of the House?

Mr. BYRNS. Mr. Chairman, I yield 30 minutes to the gentleman from Oklahoma [Mr. McKEOWN].

The CHAIRMAN. The gentleman from Oklahoma is recognized for 30 minutes.

Mr. McKEOWN. Mr. Chairman, the year of our Lord 1930 is drawing to a close and many thousands of our citizens will give a sigh of relief as the old year dies and a new year is born. But before the warm days of spring return many a soul will feel the biting breezes of winter and pass on over the divide.

What is the state of the Union?

A land of plenty and poverty.

A land of plutocrats and panics.

A land of big business and bankrupt merchants.

A land of inflated stocks and deflated buyers.

A land of trusts and combinations—chain stores and chained competition.

A land of gushing oil wells with importation of oil and its products increasing daily.

A land of the Federal reserve bank and home of breaking banks.

A land of natural water power controlled by trusts whose stocks are soaked with water.

A land where prohibition prevails and racketeers flourish.

A land blessed by Almighty God and damned by bootleggers and the godless.

Where farmers fight in vain for a fair chance.

Where wheels of industry have stopped and laboring men wander up and down in search of work.

What has happened so suddenly to change in a decade a happy, prosperous, and contented people into a condition of misery, unrest, and chaos. There is but one answer—unwise and discriminatory laws.

This condition is not the result of just happened so or to any particular distressing occurrence. This condition has been long on the way and is the result of years of folly.

When the industrial sections of the Nation were not satisfied with reasonable tariff rates to protect their interests and wholly disregarded the fact that prosperity in America includes the far stretches of the West and South as well as the area of the manufacturing States, they obtained the enactment of the Fordney-McCumber Tariff Act. This afforded the industrial areas a season of apparent prosperity. They apparently cared nothing for the distress of the agricultural group, and imbued with the prospects of worldwide domination of trade they closed their eyes and ears to the cry of distress from the South and the West.

This attitude of industry led Mr. Coolidge to proclaim in every speech and from the housetop that we were enjoying unparalleled prosperity. This was his platform in 1924.

Speculative citizens after their run-to in Florida turned to the greatest of all Monte Carlos, the stock market in Wall Street, and there commenced an amazing debacle. Every sane man knew it could not last.

Whether it be the duty of the White House to warn reckless citizens is not one made so by statute, but it remains that no warning was issued.

The panic in Wall Street can not be said to be responsible for our economic dilemma.

The money was not destroyed in any holocaust of fire or lost in some whim of nature.

In the early days after the war the manufacturers having become more familiar with our European neighbors began to prepare to furnish to Europe her needed supplies. Funds to buy with were needed. This was arranged through eager bankers who could exact luscious rates of interest.

The orders came in a deluge.

Manufacturers converted war industries into mass production of goods. To hold this trade they set in to acquire and invent every possible labor-saving machine with which to reduce the costs of manufacturing and increase their profits.

The laborer and the farmer were left out of the picture. Whenever a labor-saving device was installed and 500 men thereby displaced, the wages of 500 men were saved; but, alas! the machine would not buy a pound of butter nor a yard of cloth.

They saved the cost of the labor of 500 men and likewise lost the buying power of 300 families.

While pandering to European trade they kept the sales prices at war levels to the consuming public in America. Although by mass production the costs were lowered, yet the retail prices were not immediately cut. When business slackened they made some reductions, but even to this hour the necessities of life are above the price level of farm products. During the war period agriculture, driven on by the world's demands, expanded tremendously in spite of a dearth of farm labor and its greatly increased costs.

Upon the close of the war the farmers suffered more than their share in the deflation which immediately followed. In order to lower food prices in the great cities and industrial centers the farmer was sacrificed on the altar of deflation.

He did not have in his pockets the needed money with which to absorb the shock. All America went on a spending orgy for a time and we lost that element of saving and thrift for which our ancestors were noted.

How different has been the reaction from the World War as compared to the end of the War between the States. The soldiers of the North returned home to bend their efforts to restore their industries and broken fortunes. The followers of Lee went back to Dixie, a land of waste and ashes, to reconstruct a new and better South.

Saving, thrift, and work were magic talismen that brought this Republic to the forefront with the great nations of the earth. What of the state of the Union to-day? Gigantic surpluses of food products and manufactured wearing apparel and thousands are hungry and nearly naked.

A land of boundless acres of land and thousands of homeless farmers and laborers with no place to lay their heads. A land of combination and centralization of wealth, where by one transaction you make one millionaire and a million poor. This is a situation brought about by unwise legislation fostered by the party in control of the Government. But to correct the situation calls for the best thought and votes of progressive Americans in both political parties.

The transportation question is here again. The railroads are to be consolidated. The whole rate structure should be revised.

During the time passenger rates were 2 cents per mile under the laws of Oklahoma you could scarcely get a seat. The railroads would crowd you into their coaches as long as there was standing room, and complained bitterly that they were losing money. It may have been true, but it is impossible to convince one that it is more profitable to haul empty coaches at $3\frac{1}{2}$ cents per mile for passengers than crowded cars at 2 cents per mile.

They now have the higher rate and the empty coaches; they are not flourishing. Then while the people were crowding the trains traveling across the country during the war the Pullman surcharge was inaugurated to hold down travel as a war measure; but although it was abandoned as a war measure it was reinstated by the roads as a revenue measure to the tune of over \$30,000,000 annually. In this House an attempt to prevent the surcharge was defeated by the claim that to do so would defeat a reduction on farm products.

The surcharge is still on and farm products rates are still high. What a situation do we often find in America—delicious fruits and food rotting in orchards or fields in one section and mouths hungry for them in other sections, wholly because of prohibitive freight rates.

The railroads complain that the United States Government is building highways and waterways out of the public fund for busses and boats to use in competition with their privately owned roads. They will not agree for Uncle Sam to run them and do nothing to meet the competition.

There would be but few bus lines competing to-day had the railroads been willing to furnish shuttle trains and station-to-store delivery. On the other hand, if we do not regulate the tonnage, rates, and sizes of vehicles on highways, we will destroy both our railroads and highways.

The railroads, in a measure, are in the situation of the steamboats on inland waterways when railroads began to build. The Congresses of bygone days permitted the railroads over the outcry and protest of the river boats to parallel the river and destroy the steamboats.

We should profit by the errors of the past and put an end to the constant fighting between transportation agencies even if we go to the extent of fixing the classes of freight to be hauled by railroad, by busses and by barges, by pipe lines, and by air.

America needs all our methods of transportation, and it was an economic crime when we lost our river transportation.

The railroads are now clamoring for regulation of oil and gas rates by pipe lines.

Why did they not furnish equipment and fair rates to the oil people at the proper time and avoid the pipe-line competition?

America is suffering from high freight rates, and what we need most at this time is not consolidation but freight classification and conservation of all our transportation methods.

Proscribe the sphere of the activities of each method, make them stop squabbling among themselves, and give the American people service.

The farming industry has been permitted to starve out and is to-day a quarter of a century behind industry in the matter of equipment and method.

We are not going to solve the difficulties of agriculture until we start at the root of the trouble underlying. As long as there are thousands of tenant farmers without land of their own or hope of a home; as long as the tenant farmer because of his dire extremities must pay excessive rates of interest for his supplies and exorbitant tariffs on his purchases; as long as his home and community conditions are such that the bright lights of the near-by towns and cities lure his sons and daughters away from home, so long will farming be a failure.

Cooperative marketing is good for big producers, but the little fellow will never get into the picture.

American business men want to do things on a big scale. Never satisfied to enjoy the better things of life, such as happiness and contentment, they seem to want to gather together in a short span of life all the money in the world. Corporation farming and peasant farmers are in the offing. No individual farmer is financially able under present prices to equip his farm with necessary cost-cutting machinery. In Oklahoma, due under the constitution to the wisdom of its makers, corporation farming can not exist.

In view of the doctrine of isolation to which Republican leaders have committed our country in world affairs; first, by rejecting any affiliation with the other nations of the world, which action was approved by several millions of American voters who in an evil moment failed to foresee the commercial results; and second, by prohibitory tariff rates destructive to trade at home and commerce abroad. We shall now have to turn our attention, in so far as our industries are concerned, to the domestic markets.

Before you can stabilize agricultural products you must assist the producers in controlling production. You apply control to the other industries, why not agriculture? [Applause.]

This is what must take place in America under the ill-advised and ill-constructed policies that have been inaugurated and put into force in the last 10 years in this country. You may as well make up your minds that you are going to confine all of your business activities to America alone, because, as I said a moment ago, in an evil moment there was a rejection of the association of nations that would have put us in touch with the foreign peoples and kept us in contact with them. But what have we done? In order to add

insult to injury we refused to associate with them. We then passed the Fordney-McCumber Tariff Act, which was the highest bill that was ever passed. Then, in addition to that, we passed this monstrous Hawley-Smoot bill, which absolutely closed the markets for 26 nations of the world to our products.

Why do the cotton farmers of the South propose to raise cotton so that they can sell it abroad at less than it costs to produce it? Do your farmers of the South owe the manufacturers of England that much consideration that your women and your children shall toil in the fields in the hot days of summer to produce cotton and to sell it to the manufacturers at less than it costs to produce it? Why do you not favor curtailing production of your cotton to meet domestic demands? Why do the wheat farmers of the West produce wheat and spend their time and energy to produce wheat to be sold to foreigners for less than it costs to produce it in America?

You can control overproduction. You control the production of manufactured articles. You control the production of oil, and yet there is importation of oil into this country every day that is overwhelming the oil business. You are going to destroy the American oil industry. You are going to give the foreign companies control of the American oil industry in this country within the next five years unless you change your policy. If we are going to have home markets, then the farm products must be controlled.

I have introduced a bill, for whatever it is worth, that sets out a plan by which the products of the farm can be controlled to meet domestic demands, and I can not understand why the farmers want to produce these articles and sell them at less than it costs to produce them.

Now, let me call your attention to something else. You may just as well make up your minds that you have either to pass an old-age pension bill in the Congress of the United States or you must close the Patent Office of the United States for 10 years on labor-saving devices. Where are you going to gain when you put a labor-saving device in by which you supplant thousands of men and not only lose both the labor of those men but the purchasing power of those men to buy your products?

With reference to road construction and relieving unemployment by spending thousands and millions of dollars in road construction, what does that mean? Road construction, as it is carried on to-day, is a machinery proposition, and the farmer of the country gets very little good out of the proposition of road building by machinery. That is not the way to help the farmers of this country. The way to help the farmer is to help him stay on the farm; and not take him off the farm. To-day the American farmer has been driven from the farm into the cities where he augments the supply of unemployed people. When the farmers of this country learn that they are not going to make much money farming, and learn that it is not a place to make money, but where they can raise their children in the fear of God and where they can raise them in morals, and when they will be satisfied to make a good living, then America will take a step forward. Your fathers never made a fortune in farming. Nobody ever made fortunes in farming, except in the increased value of the land as time went forward.

But there is a priceless reward to the farmer that no other man enjoys in this world, and that is the fact that he is independent. He does not have to come at the whistle of any man. He is an independent American citizen. He goes about his business with that feeling of an owner, and with some pride, but unless you change his condition the situation is going to be worse.

If it were left to me to-day to say what would be the first thing I would do to relieve the financial situation in America, if I had it in my power I would pay all adjusted compensation claims up to \$500 and I would advance \$500 on those who had adjusted claims above that sum, and I would pay it before Christmas. [Applause.] If you will pay off the claims that amount to \$500 it will be sent to every nook and cranny of this Nation. You will help men in every city, township, county, and State in the Nation. Now, somebody will say, "Is that not a bonus?" Certainly it is not a bonus.

Mr. MURPHY. Will the gentleman yield?

Mr. McKEOWN. I yield to the gentleman from Ohio.

Mr. MURPHY. Will the gentleman tell us what the widow of some World War veteran will do, some widow who has nothing to look forward to when her husband passes out, if this bonus was not in existence? It is the only protection that a widow or the children of an ex-service man now has to take care of them after he has gone.

Mr. McKEOWN. Will the gentleman answer me this question: If the gentleman owed me \$1,500—and we say we owe it to them and that it is not a gift—does he think it would be best for my widow and my children for me never to have it in my lifetime? Is that the way the gentleman thinks it would relieve me?

Mr. MURPHY. The gentleman is begging the question. I am asking the gentleman if there is any other protection which the widows and children of ex-service men can get outside of the compensation laws?

Mr. McKEOWN. The same protection which the widows of Civil War veterans received when the time came. They got their protection when the time came.

Mr. MURPHY. But there is no pension now.

Mr. McKEOWN. Do I understand the gentleman to mean that the widows and children of these ex-service men should be allowed to starve to death?

Mr. MURPHY. The gentleman knows I did not say any such thing as that. The gentleman knows I have always been for the soldiers. The gentleman knows the fight I made years ago for the soldiers.

Mr. McKEOWN. I know that, and that is the reason I am surprised that the gentleman can not go with me now.

Mr. MURPHY. I am now calling the gentleman's attention to the fact that there is no protection for the widows or children of these ex-service men outside of this compensation or bonus, if you wish to call it that, and you are not going to help the widows and children of ex-service men by taking away from them the protection they now have.

Mr. McKEOWN. We came here and said to these soldiers, "Boys, you were not paid enough during the time you served in the war; we did not pay you what we paid the civilians, so we are doing it now. It is a debt, not a bonus, not a gift, but an honest-to-God debt," and you said you owed it to them. However, at that time you said, "We have not the money to pay you to-day, but we will pay you in 1945." Now, if we want to, why can we not start in and pay a little of this debt to-day and start the wheels of industry turning in this country and start everybody to paying a little on their debts? I am in favor of paying off to those ex-service men whose bonus does not amount to over \$500, and I am in favor of paying \$500 on account to those soldiers whose bonus amounts to more than \$500. If that were done, the little shopkeepers in every part of this country would be greatly helped. If that were done, it would not be necessary for the Red Cross to take care of these ex-service men and the ex-service men would not be humiliated by going up and asking for a cup of coffee. So I say that the United States Government should start to pay some of this money now. Let us pay it when these men need it.

Mr. MURPHY. Does not the gentleman think it would be wise to introduce a bill to pay a pension to the widows and children of these ex-service men before you take away from them the only protection they have? If you took away that protection, they would become charges on the community if the poor fellow happened to die without any means. Does the gentleman mean to say he is in favor of taking away that protection from the children and mothers?

Mr. McKEOWN. No; I do not want to do that and I do not want them to become charges on the community now, and they will become charges on the community unless we do something for them. I want to say to the gentleman that he will not go any further on the proposition of giving pensions than I will, but I say we owe this debt to them, and we should pay it. I also want to say to the gentleman

that he will find me right here fighting for any proposition which comes in for aiding the unemployment situation.

I stand here and say that farm relief should have been carried on by making loans to the States. I say the States should have been made responsible for the loans and should have been made to stand some part of the obligation. I will not stand here and be for everything that means taking money from the Treasury of the United States under the guise of helping unemployment, because we are not responsible for all of this situation. I want to say to the gentleman that we are here to guard the Treasury as well as to help the people. However, I am for helping the people now and not talking about it next week. Let us pay this \$500 now. Some fellow will say, "Where are you going to get the money?" I would get the money in the same way I would have to get money if I paid my debts. If I pay my debts I would have to go to the bank and borrow the money and then pay it out to them. If everybody in this country—the Government and every citizen of the country—would pay a little money on what they owe between now and Christmas you would see a smile come over the people of this country, and in that way you will start things moving upward.

Mr. HASTINGS. Will the gentleman yield?

Mr. McKEOWN. Yes.

Mr. HASTINGS. As I understand it, my colleague is in favor of placing the widows of these ex-service men on a parity with the widows of soldiers of the Civil War.

Mr. McKEOWN. I certainly am, and I will certainly go as far on that proposition as any other man here.

Mr. MURPHY. Does not the gentleman believe that the widows and children of these ex-service men should have and hold the protection they now have until this Congress does just what the gentleman admits it ought to do and what I say it ought to do? However, I do not want this protection taken away from these children and widows until this Government does what it ought to do.

Mr. McKEOWN. What about his insurance? For the protection of his widow and children you gave him insurance.

Mr. MURPHY. We did if he took it, but you know there are a million men and women in this country who carry no insurance. Some of them took out the insurance and then let it lapse. You can not put an old head on young shoulders, and they were boys who fought this war.

Mr. McKEOWN. But a debt is a debt. You said you could not pay it until 1945 and the soldier was indulgent and said that was satisfactory. There were those in this House who cried then for cash payments. Many of the level-headed men in this House said that it ought to have been paid in cash, but the soldiers accepted the proposition and agreed to extending the payment to 1945. So what I am asking is not to give anybody a bonus, not to give them something they are not entitled to, but simply to pay a part of our debt, and I do not ask that you pay it all. They do not want it all. I want to pay any such claim up to \$500 and advance \$500 in those cases where the amount is more than \$500.

This can not be unfair and there can not be any other crowd coming in and getting this money. This money will go right into general business.

Although I was born and reared in South Carolina I have supported every pension bill in this House, because I knew that it was right; and in addition to that, I knew that as an economic proposition, pension money comes back into the Treasury quicker than any other money.

Mr. MURPHY. The gentleman, however, does want the widows and children of the World War veterans to be protected, does he not?

Mr. McKEOWN. I certainly do.

Mr. MURPHY. Then why does the gentleman want that protection taken away from them? The only protection they have now is this much abused "bonus," if you wish to call it that. Almost everyone abused you and me and the rest of us who voted for it, but it is the only protection the widows and children have. Let us keep it for the widows and the dependent children until this Government, of which the gentleman is a part and I am a part, passes a pension bill, which we ought to do.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. BYRNS. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. McKEOWN. All I have to say in conclusion is that this is a debt, it is an obligation and is not a bonus. We said, "We did not pay you enough wages during the war and we now ask you to give us until 1945 to pay this claim," and all I am asking the Government to do to-day is to say that on these small claims of \$500 or less, we will pay them off now, and if any needy soldier wants \$500 above that, we will advance it to him, and we will not be paying off all we owe. And I will say to you, to-day, if you pay this \$500 between now and Christmas you will start a movement of prosperity, because the money goes to cities and towns, country and village, and goes into every nook, cranny, and into every county in this great Republic. In this way you will get some real benefit, and you can do this while they are waiting down here in the architect's office to draw plans to build public buildings.

Why, my friends, if we had been in a war and had depended on public buildings to save us, we would have been whipped a long time ago. We would have been whipped before they could ever get the plans prepared. Why, they will not draw a plan at all down there until they make some kind of scientific survey of the lot to see which way the water runs or whether it runs off at all, even in a little town of 5,000 people. It takes them more time to make blue prints than it takes a good contractor to build a building. [Laughter and applause.] And I may say to you now that if you want to start prosperity in this country you have got to go to the fundamentals, and you might just as well start out now by giving these soldiers some of the money we owe them, and pay it to them now. [Applause.]

Mr. WOOD. Mr. Chairman, I yield 20 minutes to the gentleman from Wisconsin [Mr. BROWNE].

Mr. BROWNE. Mr. Chairman, I ask to have the Clerk read in my time the bill H. R. 13542.

The CHAIRMAN. Without objection, it is so ordered.

The Clerk read as follows:

A bill to amend the act entitled "An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes," approved July 11, 1916, as amended and supplemented, and for other purposes

Be it enacted, etc., That for the purpose of carrying out the provisions of the act entitled "An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes," approved July 11, 1916, and all acts amendatory thereof and supplementary thereto, there is hereby authorized to be appropriated, out of the money in the Treasury not otherwise appropriated, the following additional sums, to wit: \$250,000,000 for the fiscal year beginning June 30, 1931; and the sum of \$250,000,000 for the fiscal year beginning June 30, 1932.

Sec. 2. The Secretary of Agriculture is hereby authorized to enter into cooperative agreement with the highway departments of the several States for the construction of highways with the funds appropriated under section 1 of this act, and he is hereby exempted from the limitations imposed by the said Federal aid road act and amendments thereto as to the per cent cost of such projects to be borne by the Federal Government. In no case shall any State be required to contribute more than 20 per cent of the cost of the highway constructed or improved with moneys appropriated in this act.

Sec. 3. That section 6 of the said Federal highway act is hereby amended authorizing and creating a third class of highways to consist of both those intracounty and intercounty highways over which passes the United States mail by rural mail carriers. First selecting and improving those rural mail roads which shall best serve the agricultural needs of the country in obtaining access to the Federal-aid system, the rail and water shipping points, and the markets. Funds provided by the counties or the subdivisions thereof may be used in cooperative contracts for the construction or reconstruction of the aforesaid farm service mail routes, but none of the appropriation made under this section 3 shall be spent in the construction or improvement of the roads included in the Federal-aid system and known as primary or secondary roads.

Sec. 4. Fifty per cent of the funds appropriated under section 1 of this act shall be used in the construction and improvement of highways comprised in the Federal-aid road system as specified in the Federal aid road act of July 11, 1916, and acts amendatory thereof, and the remaining 50 per cent of the funds apportioned under section 1 of this act shall be expended on the construction or reconstruction of the farm-service mail routes as designated in section 3 of this act.

Sec. 5. If any provisions of this act shall be held to be invalid, such invalid provision shall not affect the validity of any other provision of this act which can be given effect.

Sec. 6. All acts or parts of acts in any way inconsistent with the provisions of this act are hereby repealed, and this act shall take effect immediately upon its passage.

Mr. BROWNE. Mr. Chairman and ladies and gentlemen of the committee, official figures show that there are at least 3,500,000 people out of employment in the United States. Unemployment is undoubtedly the most important question which will be considered at this session of Congress.

The bill which I have introduced, in my opinion, will give employment to more people and at the same time will hasten an important public work which a larger number of people will receive benefits from than any other work this Government can undertake.

This bill provides for an authorization of \$250,000,000 per year for the next two years for the improvement of our highways. Fifty per cent of the amount to be appropriated to be expended on trunk roads in the Federal-highway system. The remaining 50 per cent to be expended on the improvement of the rural mail farm-to-market roads. The amount of the appropriation in this bill would be apportioned among the several States as provided in the present law, and is in addition to the amount which has already been appropriated by the Federal Government.

It also provides that the Government shall contribute 80 per cent and the State 20 per cent to the building of roads.

In my opinion, there is no public work which the Government can engage in where the money expended will help as many and diversified industries and be distributed as widely as the money expended in building our highways. The remotest section in every county of our 48 States will receive the immediate benefits of this appropriation, not only in the expenditure of money for labor but in the improvement of roads over which the people will travel 365 days in the year in all kinds of weather, in the nighttime as well as in the daytime, and the 42,750 United States rural mail carriers will traverse daily. The passage of this bill will mean the purchase of tractors, trucks, graders, steam shovels, gas engines, cement, cement mixers, gravel, sand, asphalt products, lumber for fencing embankments and safety signs, steel, oil, gas, and iron, and dozens of other kinds of road machinery and material used in road making, and benefit the railroads in hauling the material. The construction of many public works are in the main helpful to a certain locality. The building of roads under this bill would be of great benefit to every locality in the United States.

FEDERAL-AID ROADS SHOULD BE HASTENED

Federal aid to roads is a belated improvement. It was begun in the administrations of Washington and Jefferson and advocated by both these statesmen, who believed that the Federal Government should pay the entire cost of these main arteries of travel. As a result the Federal Government built the Cumberland Road from Cumberland, Md., to the Ohio River, over which began the march of civilization from the east to the west. The invention of the steamboat and the locomotive centered the attention of the public to these modes of transportation, which were subsidized by Congress, leaving the building of roads to the local communities. Federal aid for highways was thus suspended for a hundred years.

INTERSTATE ROADS A NATIONAL MATTER

Before the invention of the automobile when traffic moved slowly over our highways in horse-drawn vehicles, the building of roads might have been considered of only local concern. The invention of the automobile has revolutionized transportation over our highways. The situation has changed very materially since the Federal aid road law was passed in 1916, at which time there were less than 4,000,000 motor-power vehicles in the United States. To-day there are over 29,000,000 motor-power vehicles in the United States. Out of these there are over 4,000,000 trucks, 93,000 busses, and over 8,000 of these are interstate busses. Seventy-two steam railroads are using busses as feeders for their rail-

roads. There were 263,000 miles of common-carrier bus routes and 48,362 miles of exclusive interstate bus routes in operation in 1928. There are through bus schedules from Washington to New York and San Francisco, and every other large city in the United States. A total of more than 2,000,000 bus-miles were traveled in 1928; 19,900,000 motorists from all the States in the Union visited our national parks in 1929, a million and one-half more than the preceding year.

The United States mail is carried 300 days in the year, rain or shine, by 42,750 Government mail carriers, who traverse 1,319,576 miles of road daily between sunrise and sunset. Over 1,000,000 school children are transported daily in school busses. The State highway engineer of Wisconsin informs me that an accurate record of the number of cars with nonresident State licenses coming into Wisconsin in 1929 was kept, and that these cars brought into the State over 4,500,000 people in a hundred days during the summer season. These figures show conclusively that the question of building interstate roads and mail roads over which the United States mail is carried by Federal Government employees is not merely of local or State concern but a national matter over which the Federal Government will soon exercise complete control in the regulation of all interstate traffic the same as it now exercises over railroads.

HIGHWAYS ARE INADEQUATE

No one will seriously disagree with my statement that our highways are inadequate to meet the demands of traffic. The question is then how can we hasten the completion of our Federal-highway system and how rapidly should we complete the system of Federal-aid highways? It should be remembered that the Federal-road system includes only 7 per cent of the roads of the United States. The remainder, or 93 per cent, of the roads are built, maintained, and kept in repair by the States and political subdivisions of the States. In other words, the several States and political subdivisions of the States are building, maintaining, and keeping in repair close to 2,000,000 miles of road, including over 90 per cent of the rural Federal mail roads having a mileage of 1,543,545 miles. This is in addition to paying over 60 per cent of the cost of the Federal or interstate roads and maintaining and keeping in repair and open to traffic summer and winter all Federal or interstate roads.

Mr. Taber, president of the Grange, who carefully weighs his words, made the statement in his recent address that the taxes on the farm property of the United States had increased since the war 257 per cent and that high taxes were one of the major causes of farm depression. This enormous increase in the taxation of farm property has been caused very largely by the building of roads. Therefore, if our Federal-highway system is to be completed within a reasonable time, the Federal Government must appropriate larger amounts and pay a larger proportion in the building of Federal highways. The States and local subdivisions have gone to the limit and there is a reaction growing against further road building if it is to bankrupt the farmer.

With the small aid from the Federal Government and at the present rate of building roads it will take over 54 years to complete the Federal system of roads, which only comprise 7 per cent of the total road mileage. I make no criticism in any way of the Bureau of Roads; I have only words of commendation. They have used the money appropriated by Congress for Federal aid in the most efficient possible way. I am giving these facts to show how inadequate the Federal appropriations have been in the hope that the Federal Government may realize its responsibility and make adequate appropriations to complete the Federal-aid system of this country within a reasonable time.

Mr. SLOAN. Will the gentleman yield?

Mr. BROWNE. Yes; I yield.

Mr. SLOAN. I notice that you put 80 per cent on the Government and 20 per cent on the States. Is that correct?

Mr. BROWNE. Yes.

Mr. SLOAN. This bill does not give the Government any additional jurisdiction in the control or selection of these roads other than it has now?

Mr. BROWNE. No. Let me answer the gentleman. At the present time no road can be designated as a Federal road without the consent of the Director of the Bureau of Roads, Mr. MacDonald. Every cent of money that is expended on the Federal-road system must be approved by the Director of Roads. The Federal Government has a perfect veto power on anything the State may do on the Federal-road system.

Mr. SLOAN. They have not now, and the purpose is to make the Government expend \$4 where the State expends \$1. If the Government is going to adopt the additional burden, why should not the Government have something more to say about where the road shall be and more to say about the control of it than it now has under the 50-50 plan?

Mr. BROWNE. It has now the full power of veto on anything the State highway department contemplates doing on the Federal-road system. It can designate the road to be improved and if you wanted to you could not give the Federal Director of Roads any more power than he now has.

Mr. SLOAN. You could give the Government full control of the road after it is built.

Mr. BROWNE. It has that now, for if the State does not keep up the system the Federal Director of Roads can prevent the State being given any more money.

Mr. SLOAN. That is a veto power instead of direct control.

Mr. BROWNE. The Interstate Commerce Commission also has control over the Federal system of roads the same as it has over interstate railroads.

Mr. HASTINGS. Will the gentleman yield?

Mr. BROWNE. I yield.

Mr. HASTINGS. Does the gentleman think it is necessary to place that provision in the bill for the Government to contribute 80 per cent and the State only 20 per cent? Does he not think it would receive more favorable consideration if he put it on the 50-50 basis? Does he not believe that all the States of the Union would be glad to avail themselves of the opportunity of matching the Government's money 50-50? I know that my State would be glad to match any amount the Federal Government might contribute. And permit me, while I am on my feet, to say that I am in sympathy with the gentleman's bill. I am in favor of some of this money going to build up the smaller communities and the market road—the primary road in the various States.

Mr. BROWNE. In reply to the gentleman's statement, I will say that many of the States are bonded so high that they can not raise any more money by bonds than they are now raising. Some States' constitutions prohibit them entirely from issuing bonds, so that they have had to put the amount raised for roads in the tax roll. And you will find that there are many States to-day that are straining their financial resources to the very utmost to comply with the Government's requirements and of maintaining and keeping repaired the trunk lines besides helping the other State and county road systems. The Government so far has contributed 40 per cent and the States 60 per cent, but you will remember that that is only on 7 per cent of the roads. The 93 per cent have to be built and maintained and kept open at all times by the States and the subdivisions of the States. You will find that in many States there is a limit to that. Take the amount of money expended by the State and the subdivisions of the State and that appropriated by the Federal Government and you will find that the ratio is \$1 of Federal money to \$20 raised by the State and subdivisions of the State. That is too much.

Mr. HASTINGS. If there is that sort of proportion, it seems to me that there would be no difficulty in inducing every State in this Nation to match the Government on a 50-50 basis.

Mr. BROWNE. I maintain that on the Federal roads, purely interstate roads, the Federal Government should pay

the whole cost of the roads. These roads are traveled by the people of all the States, as I have shown. The Wisconsin State Highway Commission keeps track of the number of autos with out-of-State licenses and of people who come into the State in automobiles bearing foreign licenses.

Mr. HASTINGS. How would he ascertain if they came in on interstate roads?

Mr. BROWNE. Oh, there are only a few trunk lines that come in, and they have their agents there. They made computation last year, and it is reasonably accurate, that four and a half million people came into the State of Wisconsin in 100 days in automobiles bearing foreign licenses, showing that these roads are not local State roads but are interstate roads.

Mr. HASTINGS. But it does show that Wisconsin was greatly benefited by those interstate roads.

Mr. BROWNE. Yes; and the people from other States coming there were benefited. It also shows that these interstate roads in the Federal system should be built with Federal money. Mr. Taber, of the Grange, says that the increase in taxation of farm property has been 257 per cent since the war. That increase has been upon real estate and personal property. The money which the States and the subdivisions of the States raise in taxes comes largely out of real estate, and real estate is assessed and taxed now more than it can stand. That is one of the troubles with agriculture to-day.

Mr. HASTINGS. The people of Wisconsin ought to have a progressive governor such as we have elected, who is going to do away with the ad valorem taxes on land.

Mr. BROWNE. Oh, I think the gentleman from Oklahoma can congratulate himself upon the governor that Oklahoma has. I had the pleasure of seeing him when he was in the House, and he was a very versatile and able Member. I know that he would pay the same high tribute to our governor elect if he knew him.

IT WILL TAKE 54 YEARS TO COMPLETE FEDERAL-HIGHWAY SYSTEM UNLESS LARGER APPROPRIATIONS ARE MADE

The Federal-road system consists of 7 per cent of the roads, 193,049 miles; total road improvement under Federal aid which will stand modern traffic, 34,773.7 miles; balance of road system remains unimproved for modern traffic, 158,275.3 miles.

Roads improved for fiscal year ending December 1, 1930, as shown by table in Bureau of Roads report, 3,151.6 miles.

At the rate of improvement of permanent roads in the last year, which was more than an average year, it will take 54 years to complete our Federal highway system.

The 84,012.8 miles classified as improved with Federal aid at the close of the fiscal year, June 30, 1930

[Taken from report of Thomas H. MacDonald, chief, Bureau of Roads, December 1, 1930, pp. 16-17]

EXHIBIT A

Roads which will not stand modern traffic

	Miles
Graded and drained earth roads.....	12,488.5
Untreated sand-clay roads.....	7,166.2
Bituminous-treated sand-clay roads.....	16.5
Untreated graveled surfaces.....	28,607.9
Total.....	48,239.1

EXHIBIT B

Roads which will stand traffic

	Miles
Bituminous-treated graveled surfaces.....	482.5
Water-bound macadam surfaces.....	1,754.1
Surfaced by bituminous-treated macadam.....	603.4
Improved with low-cost bituminous-mixed surfaces.....	742.0
Surfaced with bituminous macadam.....	4,057.1
Paved with bituminous concrete.....	3,204.7
Portland cement concrete pavements.....	23,693.3
Block pavements.....	904.7
Consist of bridges and their approaches.....	331.9
Total.....	35,773.7

Total mileage, 35,773.7 miles of improved roads, which will stand modern traffic, built with Federal aid from 1917 to June 30, 1930.

STATE APPROPRIATIONS CONTRASTED WITH FEDERAL APPROPRIATIONS

President Hoover in his message to Congress December 3, 1929, commenting on highways, gave the following figures: The total expenditure of Federal, State, and local governments last year for construction and maintenance of roads amounted to \$1,660,000,000.

Taking the President's figures and deducting from this amount, the amount the Federal Government appropriates \$75,000,000, it leaves the amount of State and local appropriations at \$1,585,000,000, or the ratio at about \$1 that the Federal Government expends on our roads to \$20 the States and their subdivisions expend.

President Hoover in his message of December 3, 1929, says further:

Federal aid in the construction of the highway system in conjunction with the States has proved to be beneficial and stimulating. We must ultimately give consideration to the increase of our contributions to these systems, particularly with a view to stimulating the improvement of farm-to-market roads.

The bill which I have introduced provides for improving the farm-to-market roads which would be included in the rural-mail routes. With 3,500,000 men out of work in the United States, this is certainly a very favorable time to carry out the suggestions of President Hoover and at the same time help the unemployment situation.

GOOD ROADS CONCERN EVERYBODY

The question of good roads concerns everybody. At one end of the road is the farmer with his crops for sale, which aggregated last year over \$12,000,000,000. At the other end of the road is the city with its people waiting to be fed, with merchants waiting for trade, and with railroads waiting for goods to transport. To whose advantage is it to have good roads for the farmer to come to town? It is clearly to the advantage of the merchant in the city and the railroads as much as it is to the farmer. Every man's house faces on a road which connects with every other and leads to every other man's door and to every market place throughout the land. The farm and the farmers are the great and abiding support of the city.

ROLLING STOCK

The phenomenal increase in automobiles in the last 14 years is amazing. In 1916 there were 3,512,996 motor vehicles. In 1930, up to October, there were 29,577,935.

Roads have not kept pace with rolling stock. Our highways are inadequate to meet the demands of traffic. Roads must be built faster. The rolling stock, which consists of over 30,000,000 motor vehicles, are almost 100 per cent perfect, while the roads they move over are not 25 per cent perfect.

At \$600 per motor vehicle there are approximately \$18,000,000,000 invested in these 30,000,000 automobiles and trucks. The increased wear and tear and depreciation of automobiles because of being operated over poor roads per year at \$30 per motor vehicle would amount to \$900,000,000 a year more than if operated over good roads.

Every railroad system considers it good business to keep its roadbed as perfect as its rolling stock, and hundreds of millions of dollars are expended by the railroads improving their roadbeds. Railroads consider this a very good investment. Why is it not a good investment for the Government? The poor-road tax is the heaviest tax the people are paying to-day.

THE FEDERAL GOVERNMENT HAS RECEIVED MORE FROM THE TAXATION OF AUTOMOBILES THAN IT HAS EXPENDED ON ROADS

The Federal Government up to date has expended on its roads less than \$900,000,000. The Government, as a war measure in 1918, placed an excise or sales tax on automobiles at 5 per cent; also a tax on accessories. This in 1926 was reduced to 3 per cent. From 1918 to 1927, when the tax was repealed, the automobiles and accessories have paid a Federal excise tax or sales tax of \$1,081,845,555. In addition to this the owners of automobiles are paying local personal-property taxes, State taxes for registration amounting to \$787,501,791 annually.

OWNERS OF AUTOMOBILES PAY A HEAVY TAX

The motor-vehicle tax in 1928 was as follows:

Registration fees.....	\$322,630,025
Gasoline tax.....	304,871,766
	627,501,791
Personal-property tax.....	140,000,000
Municipal tax.....	20,000,000
	160,000,000
Grand total.....	787,501,791

MONEY FOR FEDERAL AID DERIVED FROM INCOME TAXES

The Federal Government does not levy any tax on real estate. The money received by the Federal Government from taxation is from income taxes, inheritance taxes, excise taxes, and duties levied on imports of foreign goods under the tariff.

The opposition to Federal aid to highways comes from a few of the wealthy States east of the Allegheny Mountains.

Statements have been frequently made on the floor of Congress and broadcasted throughout the country that New York pays almost 25 per cent of the total income and inheritance tax. Therefore, unless it receives back 25 per cent of any distribution of Federal aid the State is imposed upon. One-fifth of all the money deposited in banks of the United States is deposited in banks in the city of New York. Admitting these facts, I deny that New York or any State contributes one cent more to the Federal highway fund than it receives in benefits. New York is the financial center of the United States, but if it were not for the natural resources of the various States the millions of acres of wheat, corn, and cotton, and the 25,000,000 dairy cows and the other great resources which contribute toward making this the wealthiest Nation in the world, New York would not have the bank deposits it now has and be the wealthiest city in the world.

In the 10-year period from 1912 to 1922 the wealth of the United States increased from \$186,000,000,000 to \$320,000,000,000, a net increase of \$134,000,000,000. From 1922 to 1928 it is estimated by the Census Bureau our wealth has increased over \$40,000,000,000. All of the 48 States, with their splendid citizenship and wonderful natural resources, contributed to the unprecedented increase of wealth. New York did no more than many other States in the creation of this wealth.

On May 15, 1925, the statement of the United States Treasury Department showed that while the deposits in the New York national banks totaled \$2,218,027,000, 38 per cent of these deposits were from banks and trust companies outside of New York State. The coming census will undoubtedly show the same proportionate increase.

RAILROADS AND LARGE CORPORATIONS PAY TAXES IN NEW YORK

The Union Pacific Railroad in 1923 paid an income tax in New York of four and a half million dollars, and yet this road does not operate east of Omaha and Kansas City, a half continent away from New York State.

The Southern Pacific paid a tax of \$5,000,000 in New York and this road does not run any nearer than New Orleans.

The United States Steel Corporation in 1923 paid an income tax of \$16,000,000 in New York. They have 145 plants, only two of which are in the State of New York. They have 153,350 stockholders who paid this tax, and only 32,322 of these stockholders live in the State of New York. Many other corporations pay their income tax in New York, but are obtaining their resources and making their money in other States in the Union as well as New York State. As an illustration of this, such large corporations as the American Railway Express, American Beet Sugar Co., American Can Co., American Locomotive Co., American Radiator Co., American Smelting & Refining Co., American Tobacco Co., Western Union Telegraph Co., Nevada Consolidated Copper Co. pay their taxes in New York.

All of the chain stores have their home offices in the city of New York, Chicago, or some of the large cities and pay

their income taxes in those cities. The Borden Milk Corporation, the National Dairy Corporation, and other similar organizations, control 70 per cent of the fluid milk of the country, paying their large income taxes in New York City. The Ford Auto Co. and many other large automobile companies situated in Detroit and deriving their incomes from all parts of the United States pay their large income taxes in the cities where they have home offices. Thus the wealth of the United States coming from the millions of people in every one of the counties of the 48 States drains into the large commercial centers and pays a large income tax. It is therefore equitable and fair that a small proportion of the large incomes of these corporations having their home offices in the cities should contribute in the way of taxes toward the building up of a system of public roads which are helpful and necessary to them in the maintenance of their business. It is no more than fair that a portion of the wealth which is produced in the various States should come back to the thousands of localities where it originated for the improvement and betterment of these localities.

HOW TO RAISE THE MONEY

We have been paying off our national debt since the war at a rate of nearly a billion dollars a year. I am informed by the Treasury Department that we have reduced the national debt from \$26,594,267,878.45, August 31, 1919, to \$16,185,308,299.18, June 30, 1930, a reduction of \$10,408,959,579.27. This is a most remarkable achievement. I think, however, in this emergency, with 3,500,000 men unemployed, it would be good business to skip one year in applying the Government income reducing the national debt and use the billion dollars, or as much thereof as is necessary, toward building public works and improvements, which will give employment to our people. An extra billion dollars expended by the Federal Government in the next fiscal year for road building and rivers and harbors and hastening our public-building program would go a great way toward relieving unemployment and helping business without increasing taxation, but only prolonging the payment of the national debt one year. I believe this plan is feasible and will meet with public approval.

SUBSTITUTE JOBS FOR DOLES—MONEY COULD BE RAISED BY AN ISSUE OF LIBERTY BONDS

During the war we had four Liberty bond issues.

An issue of Liberty bonds, or call them "employment bonds," the proceeds to be expended for needed public works, such as public roads and public buildings and rivers and harbors improvements, would meet with public approval. The prosperity that these expenditures, with the employment of this labor, would bring would pay the bonds with very little, if any, increase in income taxes.

It would substitute jobs for doles and increase the purchasing power of the people and help farmers, retailers, railroads, and business in general.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. BROWNE. Mr. Chairman, I ask the gentleman from Indiana to yield me 10 minutes more.

Mr. WOOD. Mr. Chairman, I yield the gentleman from Wisconsin 10 minutes more.

Mr. BROWNE. Harold S. Buttenheim, chairman of the Emergency Committee for Federal Public Works, 470 Fourth Avenue, New York City, a committee composed of prominent men who stand high in commercial circles, suggests that Congress authorize a billion dollars of Liberty bonds. The proceeds to be expended for needed public works in every State in the Union. He makes the following suggestion:

If we were facing a great war Congress would authorize billions of dollars of Liberty bonds; everyone would begin feverishly to produce and use machinery and other resources to the utmost capacity; and the general standing of living would be materially raised. Confronted now with this great problem of peace—this "war against human misery," as it has recently been termed by Col. Arthur Woods, director of the President's Emergency Committee for Employment—should we not act with similar patriotism and courage? Should not the Federal Government authorize an immediate issue of "Employment bonds"—to an ultimate total of a billion dollars or more if necessary—the proceeds to be expended for needed public works in every State of the Union?

To assume that the Nation could not afford to spend a billion dollars, or several billions, in this manner would be unreasonable. To pay the interest and amortization might require a slight increase in the income-tax rate; but it can not be doubted that the financial and psychological stimulus to prosperity would so increase corporation and individual incomes as to more than offset the taxes collected by the Government to finance such a program.

THE ADMINISTRATION SHOULD FOLLOW THE ADVICE IT GIVES OTHERS

The administration is advising the people to buy now and spend as much money as they are able to spend. In the conferences which have been held those in authority have advised the employers of labor to extend their activities in every way possible to relieve the unemployment situation. I believe this is excellent advice and I think the large employers of labor, including the railroads, have responded courageously. Is the Federal Government following its own advice?

In the rural-carrier service alone there were 44,168 carriers employed in 1928. In 1930, at the same date, there are 43,178 rural mail carriers employed by the Government, a reduction of 990. Over 546 carriers have been laid off during 1930 in one branch of the post-office service, and this curtailment to the injury of the rural-mail service.

I am reliably informed that there are approximately 600 vacancies in the clerical force in the first and second class post offices. There are 400 vacancies in the city-delivery forces which remain unfilled. This means that there are at least 1,000 jobs in the Postal Service that could be immediately filled if the department followed the policy which is being urged upon private industry.

Would it not be consistent for the Government at this time to take the money that it already has raised by taxation and expend it on Federal roads and other public works that will be of inestimable value to the people and employ a large number of people who are now idle and in destitute circumstances?

Congress could make the appropriation called for in the bill which I have introduced with no extra tax by simply putting off the payment of the national debt one year or by a bond issue.

It would give Wisconsin, which has 51,141 miles of rural and star routes, \$6,066,000 per year.

UNEMPLOYMENT

The problem of unemployment is a world-old problem. The relief in times of unemployment has usually been slow and inefficient.

Not so with the Emperor Napoleon Bonaparte of France. Napoleon has been called by some a benevolent despot. He was a man of action in times of peace as well as in times of war. Here are some of his instructions given to his ministers at a time of great unemployment in France.

If the cold should be sharp, as it was in 1789, you must have fires kept alight in the churches and market places so that as many people as possible can warm themselves. * * * The winter is very severe, meat is dear, we must provide work in Paris. Get on with the cutting of the Ourcq Canal, with the construction of the Quai Desaix, with the paving of the back streets. * * * We must have several homes of refuge in every department. * * * There are a great many out-of-work shoemakers, hatters, tailors, and saddlers. See to it that 500 pairs of shoes are made every day.

He writes to the Minister for War, saying that special orders for supplies for the artillery are to be issued. To the Minister for Home Affairs:

We must provide work, especially this month before the holidays. Issue an order that in May and June 2,000 St. Antoine workmen are to supply chairs, chests of drawers, armchairs, etc. Send me your proposals to-morrow so that a beginning may be made promptly.

He reads a by-law that no one wearing a workman's blouse is to walk through the Tuileries garden. Instantly he has the regulation canceled and gives express permission for such people to walk through. He learns of a proposal to close the public reading rooms:

I won't allow anything of the kind. I have not forgotten my own experience, how useful it was to know of a well-warmed room where I could read the newspapers and recent pamphlets. I will not allow others who are as poor as I was then to be robbed of these comforts.

In the Theatre Français the stalls are to be very cheap on Sunday—"so that the people may enjoy the performance."

There are to be no gambling halls in France:

They bring families to ruin, and I should set a bad example were I to tolerate them.

By his new education law he establishes public elementary schools, middle schools, lycees, and technical colleges throughout the country. There are to be 6,000 free scholarships, and a third of these are to be reserved for the sons of especially deserving persons. Within three years there are 4,500 elementary schools, 750 middle schools, and 45 lycees. "He honors the institute by choosing a third of his first senators from among its members."

State	Mileage of star and rural routes as of June 30, 1930	Tentative apportion- ment of \$250,000,000 Federal aid
Alabama.....	39,695	\$5,176,000
Arizona.....	5,060	3,567,000
Arkansas.....	30,799	4,230,000
California.....	29,990	9,469,000
Colorado.....	22,352	4,594,000
Connecticut.....	7,727	1,585,000
Delaware.....	3,218	1,219,000
Florida.....	15,281	3,310,000
Georgia.....	64,908	6,329,000
Idaho.....	10,731	3,072,000
Illinois.....	74,218	10,348,000
Indiana.....	60,537	6,227,000
Iowa.....	64,248	6,447,000
Kansas.....	62,881	6,680,000
Kentucky.....	34,540	4,592,000
Louisiana.....	16,081	3,494,000
Maine.....	15,062	2,183,000
Maryland.....	12,937	2,067,000
Massachusetts.....	9,149	3,482,000
Michigan.....	57,187	7,684,000
Minnesota.....	56,380	6,858,000
Mississippi.....	34,864	4,371,000
Missouri.....	66,948	7,695,000
Montana.....	16,322	5,064,000
Nebraska.....	43,217	5,205,000
Nevada.....	3,982	3,198,000
New Hampshire.....	7,292	1,219,000
New Jersey.....	9,821	3,368,000
New Mexico.....	8,574	3,974,000
New York.....	53,714	12,367,000
North Carolina.....	46,240	5,872,000
North Dakota.....	31,414	3,958,000
Ohio.....	71,039	9,134,000
Oklahoma.....	46,986	5,867,000
Oregon.....	16,092	4,022,000
Pennsylvania.....	61,519	10,714,000
Rhode Island.....	1,510	1,219,000
South Carolina.....	27,612	3,393,000
South Dakota.....	30,123	4,076,000
Tennessee.....	47,677	5,303,000
Texas.....	89,300	15,503,000
Utah.....	4,607	2,820,000
Vermont.....	9,579	1,219,000
Virginia.....	35,979	4,586,000
Washington.....	19,562	3,872,000
West Virginia.....	17,194	2,667,000
Wisconsin.....	51,141	6,066,000
Wyoming.....	7,605	3,136,000
Hawaii.....	651	1,219,000
Total.....	1,543,545	243,750,000

Mr. SLOAN. Mr. Chairman, will the gentleman yield?

Mr. BROWNE. Yes.

Mr. SLOAN. Does the gentleman from Wisconsin intend to use the money paid in as interest on our foreign obligations on the principal for the purpose of this enterprise he has so well put forth?

Mr. BROWNE. All of the money that we receive as interest on foreign debts goes into the Treasury, and that reduces the amount of general taxation.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. BYRNS. Mr. Chairman, I yield 30 minutes to the gentleman from Georgia [Mr. Cox].

Mr. COX. Mr. Chairman, ladies and gentlemen of the committee, the remarks that I shall make will have no political significance whatever. I am not talking for home consumption, but I shall endeavor to bring to the committee certain information that may or may not have some bearing on an issue which the House will at an early date be called upon to decide. The Committee on Interstate and Foreign Commerce during the latter days of the last session of the present Congress reported favorably H. R. 11, com-

monly known as the Capper-Kelly retail price control bill. I would have much preferred waiting until that measure reached the floor for consideration to make my argument, but not being a member of that committee, doubtless I would not have the opportunity to give full expression to my views. And even now I do not hope to cover the entire case, but I shall briefly give you in a general way my views on the fundamental questions that are involved, leaving you to apply the arguments that may be suggested by anything that I might say.

The bill provides as follows: That no contract relating to the sale of a commodity which bears—or the label or container of which bears—the trade-mark, brand, or trade name of the producer of such commodity, and which is in fair and open competition with commodities of the same general class purchased by others, shall be deemed to be unlawful, as against the public policy of the United States, or in restraint of interstate or foreign commerce, or in violation of any statute of the United States, by reason of any agreement contained in such contract.

That the vendee will not resell such commodity except at the price stipulated by the vendor.

The only conditions and exceptions to this rule are:

SEC. 2. Any such agreement in a contract in respect to interstate or foreign commerce in any such commodity shall be deemed to contain the implied condition, (a) that during the life of such agreement all purchasers from the vendor for resale at retail in the same city or town where the vendee is to resell the commodity shall be granted equal terms as to purchase and resale prices; (b) that such commodity may be resold without reference to such agreement—

(1) In closing out the owner's stock for the purpose of discontinuing dealing in such commodity or of disposing, toward the end of a season, of a surplus of stock of goods specially adapted to that season;

(2) With notice to the public that such commodity is damaged or deteriorated in quality, if such is the case; or

(3) By a receiver, trustee, or other officer acting under the orders of any court, or any assignee for the benefit of creditors.

It will be noted there is no provision for Government supervision or regulation. The producers and manufacturers are given a free hand. They may fix their profits and prices to wholesalers, jobbers, retailers, and to the consuming public at will.

In the interest of a better understanding of the meaning of this bill, let me make a brief statement of conditions out of which the proposal comes.

Prior to 1890, when the Sherman law was passed, all business was being hurriedly merged into monopolistic combinations and trusts. Conditions became such that the public interest demanded some congressional action, hence the antitrust act, which denounced as illegal any contract, combination in form of trust, or otherwise, or conspiracy in restraint of trade or commerce among the several States or with foreign nations, and further provides that every person who shall make any such contract or engage in any such combination or conspiracy shall be deemed guilty of a misdemeanor.

While this law put some restraint upon the then widespread movement toward monopolistic combinations it did not entirely suppress it, and many schemes were devised to evade the statute, among which were certain forms of contracts. The contract scheme had developed into large proportions by 1910, when the Supreme Court in the case of Dr. Miles Medicine Co. v. John D. Park Sons Co., reported in 220 U. S. 373, declared them to be in restraint of trade in violation of the antitrust act and the common law.

There were two contracts involved in this case. One was between the manufacturing medicine company and a wholesaler, binding the latter to sell only to retailers approved by the former and at prices fixed by the manufacturer. The other contract was one between the manufacturer and the retailer binding the retailer to sell at prices fixed also by the manufacturer. The question presented to the court was: Can a manufacturer dictate by contract the price at which its trade-marked, patented, or otherwise identified products shall be sold by wholesaler or retailer, and the price at which the retailer shall sell to the consuming public?

In the course of its opinion the court said:

It is, as we have seen, a system of interlocking restrictions by which the complainant seeks to control not merely the prices at which its agents may sell its products, but the price for all sales by all dealers at wholesale or retail, whether purchasers or sub-purchasers, and thus to fix the amount which the consumer shall pay, eliminating all competition.

The court further said:

Contracts between a manufacturer and all dealers whom he permits to sell his products, comprising most of the dealers in similar articles throughout the country, which fix the price for all sales, whether at wholesale or retail, operates as a restraint of trade, unlawful both at common law and, as to interstate commerce, under the antitrust act of July 2, 1890, even though such products may be proprietary medicines made under secret formulas.

It is the nullifying of that part of the antitrust act and the common law upon which the decision of the court is based and the legalizing of these contracts in restraint of trade that this bill is designed to accomplish.

The question presented is a serious one and demands careful consideration. An extensive and aggressive campaign for manufacturers' price-fixing legislation has been carried on by the manufacturers for more than 50 years. The advocates are closely organized and often heard, but the time has come for some one to speak for the voiceless millions who are threatened with having fastened upon them a trade system that will exact of them a greater toll represented in manufacturers' and producers' profits than they are already having to make. There is no better time than now to challenge this business of government by propaganda. Nothing tends to deteriorate the quality of legislation so much as yielding to such pressure. In the Washington Post of December 2, 1930, under heading Calvin Coolidge says, I read the following:

One of the hardest problems the Congress has to meet is the constant pressure of outside influences. The old lobby that was so frequently charged with vicious activity practically has disappeared. But the organized minorities of special interests, with agents and publicity bureaus for creating an artificial appearance of public opinion and showering Senators and Representatives with letters and telegrams, has grown to huge proportions. It is a species of supergovernment, undertaking to exercise sovereignty without any duly constituted authority or public responsibility. In consequence the Congress is put under duress. Almost all these organizations seek an expenditure of the taxpayer's money.

Every interest has a right to organize and be heard. But the right to congressional action depends on the relation of the request to the welfare of all the people. If the Congress could be let alone, if it could be free to form its own judgment on what it knows are the realities instead of being forced to surrender to the artificial, much time and money could be saved and much better legislation would result. The Congressmen are the legal representatives of the people. No other agency can claim exclusive right to speak in the name of the people.

Continuing in this course, how long will it be before the greedy maw of selfish interests will have swallowed up all the substance of the land?

You will have observed that the terms of the bill limit resale price control by the manufacturer to commodities which bear—or the label on container of which bears—the trade-mark, brand, or trade name of the producer, and that the exceptions to the rule that the distributor can not sell for less than fixed prices are, in discontinuing the handling of such goods, in selling seasonable goods at end of season, selling damaged goods with notice of damage, or sales made under orders of any court. In other words, the only way a retailer once signing one of these contracts can regain his lost independence is to die, or go broke, except as the manufacturer may determine when goods are damaged or as to when a season ends.

And it should not be overlooked that the contract, though in restraint of trade, is made legal by the bill and will subject the retailer and jobber to an action for damages for any breach thereof, and for the redress of any grievance that the wholesaler or retailer may have against the manufacturers or producers they must take their case to the courts where the manufacturers' or producers' principal place of business is located. This would mean that, due

to expense involved in such proceedings, the average retailer would have no redress against the wrongdoings of the manufacturers and producers.

Mr. KELLY. Mr. Chairman, will the gentleman yield there?

Mr. COX. Yes.

Mr. KELLY. The gentleman is making an interesting statement. I regret I did not get the benefit of his remarks from the beginning. Does the gentleman oppose the principle of the manufacturer having the right to control his resale price?

Mr. COX. I do.

Mr. KELLY. Has not the Supreme Court of the United States given its sanction to that very practice?

Mr. COX. Let me make this observation to the gentleman: Your bill is intended to legalize price control by contract between the manufacturer and retailer. That is your proposal. The Supreme Court has said in a number of decisions that that practice is not only violative of the antitrust act but it is against the common law.

Mr. KELLY. The fact of the matter is that the Supreme Court has held it absolutely just and valid for the manufacturer to control the retail price through his own agencies. Under the General Electric case 30,000 retailers were required to maintain a retail price under the circumstances described, and the Supreme Court decided that the manufacturer could control the price under such circumstances.

Mr. COX. The Supreme Court has said that the manufacturer has a monopoly of the production and distribution of his product. Of course, it has that, and he does not violate the antitrust act by setting up agencies in the different localities and marketing his product through those agencies. That is what the Supreme Court has said in the decision referred to by the gentleman. But let me remind the gentleman that the decision in the Miles case was not the first pronouncement of the Supreme Court to the effect that the scheme sought to be legalized by the bill to which I am addressing my remarks was illegal. There are earlier decisions than that case, but the decision in the Miles case is the first pronouncement of the court which covered all of the points urged by the manufacturer in his effort to avoid the provisions of the antitrust act.

Mr. KELLY. Does my friend object to the principle of the manufacturer, by consignment, controlling the retail price of his product?

Mr. COX. If the consignment is merely a colorable transaction practiced on the part of the manufacturer for the purpose of avoiding the law, not only the provisions of the antitrust act but the provisions of the common law as against restraint of trade, I certainly am opposed to it.

Mr. KELLY. That is not what I asked you.

Mr. COX. But I submit that I am not opposing the manufacturer in good faith setting up agencies to market his product through them. If the gentleman has any point on which he wishes to question me relating to the conditions as presented to the court in the Miles case or in any of the cases succeeding, I shall be glad to answer any question. The decision in the Miles case, as I said, was the first pronouncement of the court that covered all the points that had up to that time been presented and all the schemes that had been urged by the manufacturer in his endeavor to avoid the provisions of the antitrust act. If the consignment is merely a device on the part of the manufacturer for evading the law, not only the provisions of the antitrust act, but the provisions of the common law as against restraint of trade, I certainly am opposed to it. That is what I am opposed to. I do not say that it is illegal for a manufacturer to set up an agency.

Mr. KELLY. I want to get at what the gentleman is really opposing.

Mr. COX. I am opposing the bill you have offered here, which has for its purpose the setting aside of a public law enacted for the public good, the suspending of the antitrust act and also the suspension of the common law, so far as it declares against acts and combinations in restraint of trade.

Mr. KELLY. The gentleman knows as well as I do that Congress never declared illegal a contract for the maintenance of a resale price.

Mr. COX. I submit that no open and fair minded lawyer can take the antitrust act and put any other construction upon its provisions than is put upon them by the Supreme Court in the Miles case.

Mr. KELLY. I would submit the name of Louis D. Brandeis, now a distinguished Justice of the Supreme Court of the United States. He says that decision did not take into consideration the facts connected with modern commercial transactions.

Mr. COX. The statement by Mr. Brandeis was based upon this supposition that the manufacturer's property rights in his patent and trade-mark monopolies give him the right to control resale prices of his products. In other words, he enlarged the property rights of the manufacturer in this respect.

Mr. KELLY. The gentleman is mistaken about that. If he will read the hearings had before the Committee on Interstate and Foreign Commerce, he will notice that Mr. Brandeis made a very complete argument in behalf of the passage of this bill.

Mr. COX. I regret to say that is not the fact.

I challenge the gentleman to name a single decision of the court which upholds the theory that the gentleman now proposes before this committee. There is not a single case.

Mr. KELLY. I just named one.

Mr. COX. Oh, there are decisions of inferior courts, but all these were upset by the Supreme Court.

Mr. KELLY. In 1928 the Supreme Court held that the General Electric Co. could deal with 33,000 retailers and maintain the price of the product.

Mr. COX. But there was nothing said in that case by the court that in any way modified the decisions of the same court outlawing price fixing by contract or otherwise.

Mr. KELLY. What they really did was to say that it is perfectly legal to maintain the resale price of a product if it is done by a system of resale agencies or consignment. It is not legal if done by contract. It is perfectly legal if done by consignment and resale agency, which reaches the same end.

Mr. COX. We come right back to the agency proposition. Nobody disputes but that a manufacturer has a right to market his products through an agent. Of course he has.

Mr. KELLY. Well, that is maintenance of price.

Mr. COX. And the courts have said that if it is a colorable transaction, set up for the purpose of evading the law, it is under the indictment of the law.

Mr. BUSBY. Will the gentleman yield?

Mr. COX. I yield.

Mr. BUSBY. In regard to the case just cited by the gentleman from Pennsylvania [Mr. KELLY], if I recall correctly, the sole reason the practice of the electric company was upheld was because it was their own product and belonged to them, and they were selling their own product.

Mr. COX. Of course.

Mr. BUSBY. And that is reasonable. The only reason their position was maintained was because it was dealing with a product that belonged to them, through their own agency.

Mr. COX. On which they have a complete monopoly, or did have until the title passed out of them.

Mr. KELLY. Then, neither the gentleman from Georgia [Mr. Cox] nor the gentleman from Mississippi [Mr. Busby] objects to the principle of maintaining a uniform resale price of a product?

Mr. COX. I object to anything, sir, that is intended to be used for the purpose of interfering with trade; that is, in restraint of trade.

Mr. KELLY. The automobile business interferes with trade in just the same way.

Mr. COX. But it comes back to the same proposition. The automobile business has no bearing whatsoever on the issue I am discussing. That is a case where the automobile people market their cars and their products through their

agencies, but if they have a contract with an agency which is entered into for the purpose of controlling the price that the agency will charge for the product in retail, that contract is unenforceable, provided the title to the product at any time before sale passes out of the manufacturer into the agency.

Mr. KELLY. That is true, but the end is maintenance of the resale price of the automobile.

Mr. COX. On the question that your bill is intended to effect, let me read from the best mind that has ever been brought to bear upon this whole question, from a decision by Mr. Justice White in the case of Boston Store against American Graphophone Co., which the committee has referred to in quoting from the brief filed by a distinguished Member of Congress in that case. The court said:

We at once say, despite insistence in the argument to the contrary, that we are of opinion that there is no room for controversy concerning the subjects to which the questions relate, as every doctrine which is required to be decided in answering the questions is now no longer open to dispute, as the result of prior decisions of this court, some of which were announced subsequent to the making of the certificate in this case—

And so forth.

In that decision Mr. Justice Brandeis concurred, because, as the statement was made, the rulings of the court in prior decisions bound him in the case. There is a review of different decisions of the court made in that case.

Mr. BECK. Will the gentleman yield?

Mr. COX. I yield.

Mr. BECK. Will the gentleman not read the end of that opinion, which, if my recollection serves me correctly—and I happened to argue that case in the Supreme Court—two Justices dissented, and Justice Brandeis only failed to dissent on the ground of stare decisis. He felt the court had previously passed upon it. It does not militate against the argument of my friend that a majority of the court held otherwise. That is the purpose of this legislation.

Mr. COX. Yes, of course. Justice Brandeis concurred in the following language:

Whether a producer of goods should be permitted to fix by contract, express or implied, the price at which the purchaser may resell them, and if so, under what conditions, is an economic question. To decide it wisely it is necessary to consider the relevant facts, industrial and commercial, rather than established legal principles. On that question I have expressed elsewhere views which differ apparently from those entertained by a majority of my brethren. I concur, however, in the answers here given to all the questions certified, because I consider that the series of cases referred to in the opinion settles the law of this court.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BYRNS. Mr. Chairman, I yield the gentleman 10 additional minutes.

The CHAIRMAN. The gentleman from Georgia [Mr. Cox] is recognized for 10 additional minutes.

Mr. COX (continuing reading):

If the rule so declared is believed to be harmful in its operation, the remedy may be found, as it has been sought, through application to the Congress, or relief may possibly be given by the Federal Trade Commission, which has also been applied to.

Mr. Justice Holmes and Mr. Justice Van Devanter are of opinion that each of the questions should be answered in the affirmative.

Mr. BECK. So there were three dissents?

Mr. COX. One special concurrence and two dissents.

Mr. BECK. Now will the gentleman permit a further interruption?

Mr. COX. I will if it does not require any extended answer, because I wish to complete my statement.

Mr. BECK. The purpose of interrupting the interesting address which the gentleman is making is to correct what seems to be a misapprehension as to the nature of this bill as it is recommended by the Committee on Interstate Commerce. Apparently the gentleman is under the impression that the bill as now reported to the House sanctions the practice adopted in the Doctor Miles medical case.

Mr. COX. Unquestionably.

Mr. BECK. Such is not the fact, in my humble judgment.

Mr. COX. Well, I can not see that any other meaning could be given to the bill.

Mr. BECK. Would the gentleman just allow me to make a statement, as a member of that committee, as to what the committee, at least, conceived to be the nature of the bill? If, however, the gentleman prefers that I should not do so, of course I will not.

Mr. COX. I would like to have sufficient time to finish my statement.

Mr. BECK. I trust the gentleman will have it, because the gentleman is making a very interesting address.

Mr. COX. The gentleman flatters me.

Mr. CRISP. My friend from Tennessee [Mr. BYRNS] has promised me 15 minutes. I will be glad to waive it and give it to the gentleman from Georgia.

Mr. COX. How long will it take the gentleman from Pennsylvania [Mr. Beck] to make his statement?

Mr. BECK. Two or three minutes; just to explain what we believe to be the nature of the bill.

The bill called the Capper-Kelly bill, as originally considered by the Committee on Interstate and Foreign Commerce, unquestionably did seek to legalize the practice which was condemned by the Supreme Court in the Doctor Miles medical case, the practice being the power in a manufacturer not merely to impress upon his immediate vendee a prohibition against the retail price but to compel that vendee to project the same covenant against a cut price to his vendee, and thence forever, by a kind of running covenant, until it reached the consumer.

Mr. COX. Is not that the bill before the House?

Mr. BECK. It is not the bill of the Interstate and Foreign Commerce Committee. I happen to know this, because when the bill came before us in that form I made an amendment—which must be embodied in the bill—in which the limit of the proposed legislation was to give to a manufacturer who had created a good will at his own expense in his commodity the right to impress upon his immediate vendee the retail price, that he must not sell at less than a certain price, but that the vendee, having complied with that, could not say to anyone to whom he sold, "You must adopt a similar restriction." In other words, as all the goods that are really the subject matter of this bill are sold to distributors, undoubtedly a manufacturer, we will say the Victor Phonograph Co., could impress upon his distributor that he could not sell at less than a certain price, but the distributor could not say to the retailer, "You must not sell to the consumer at less than a certain price." So that the only purpose of the legislation as reported by the committee was as between the immediate vendor and vendee and their right under the general liberty of contract to require that the vendee shall not sell at less than a certain price.

Mr. COX. Let me say in answer to the gentleman that I, of course, do not agree with him in the construction he puts upon the bill, and I challenge every Member of this body to consider the bill in the light of the hearings, and determine if he agrees with the gentleman's pronouncement.

Mr. HUDDLESTON. Will the gentleman yield?

Mr. COX. Yes.

Mr. HUDDLESTON. The principle announced in the Miles case that it was violative both of the antitrust act and of the rules of the common law that a vendor who parts with the title to property should dictate to the vendee the price at which it should be resold. The principle is violated in toto by the bill being discussed.

Mr. COX. That is right.

Mr. HUDDLESTON. That is the principle. Now, that principle is violated in toto by this bill.

Mr. COX. That is right.

What is the purpose of the bill? It is to legalize monopolies and contracts in restraint of trade. But that is not all. By this form of restrictive agreement the manufacturer seeks an enlargement of his property rights to the disadvantage of all others. It is proposed that he shall have the right to control his product all along the line,

from the time it leaves his hands until it comes into possession of the ultimate consumer.

What becomes of the principle of freedom of exchange in movable property if the manufacturers be permitted to impress his products with the stamp of interest after it has been sold and paid for? Title would never vest with the unrestricted right of alienation. Is not such an arrangement as is sought to be legalized "against the trade and traffic and bargaining and contracting between man and man"? In the Miles case referred to, the Supreme Court said, in the language of the now Chief Justice, "The public have an interest in every person carrying on his trade freely." Under the bill there is no more freedom of contract or freedom of trade in the retailer. He will become the pawn of the manufacturer, a cog in the machine of another.

But has it occurred to you that this is a special law to be enacted for a special class? Immunity against the anti-trust law is granted to none other. Why this special and extraordinary grant of power? Is this the class most entitled to the tender consideration of Congress? It has been the general belief that, due to the ability to measure demand and adjust production accordingly, thereby avoiding the loss incident to overproduction and burdensome surpluses, that they, of all operators, are in best condition, and in spite of the colossal losses in capital investments sustained by the whole country, theirs have been comparatively small. That which is made lawful for the manufacturer is unlawful for the distributor and the public.

But much is said by the advocates of the measure about protecting the manufacturers' interest in his trade-mark, patent, and copyrights in the sale of his goods. Confusion is likely to arise on this score, for which reason I would like to discuss his rights under existing laws.

A manufacturer may, because of his secrecy of process, letters patent, or for other reasons, have a complete monopoly of production on the thing he makes, and has absolute control of such production before sale, but his title ends when sale is completed. Rights of patentees are derived from statutory grants. The grant of letters patent is not a gratuitous conference of a right, as was the case under the old English law, but is one based upon public consideration. The right is to protect the inventor in the fruits of his invention. The consideration to the public is the stimulation of inventive genius and the benefit it derives from new inventions and discovery and the public use of the patent after monopoly expires.

This same principle, in part, holds true in the case of trade-marks and copyrights. No one can disturb him in the use and enjoyment of these statutory grants. Infringements are prohibited by law. His monopoly in production and distribution is secure. The control of his business is his, but this is not enough; he now demands that he be permitted to also control the business of the wholesaler and retailer.

Listen to what the Supreme Court, in the language of Mr. Justice Hughes, says:

But because there is monopoly of production it certainly can not be said that there is no public interest in maintaining freedom of trade with respect to future sales after the article has been placed on the market and the producer has parted with his title. Moreover, every manufacturer before sale controls the articles he makes. With respect to these he has the right of ownership, and his dominion does not depend upon whether the process of manufacture is known or unknown, or upon any special advantage he may possess by reason of location, materials, or efficiency. The fact that the market may not be supplied with the particular article unless he produces it is a practical consequence which does not enlarge his right of property in what he does produce. * * * But because a manufacturer is not bound to make or sell it does not follow in case of sales actually made he may impose upon purchasers every sort of restriction.

The CHAIRMAN. The time of the gentleman from Georgia has again expired.

Mr. BYRNS. Mr. Chairman, I yield the gentleman 10 additional minutes.

Mr. COX. What changes have taken place in modern methods of business that demand the sacrifice of the public

interest through granting to manufacturers immunity from the operation of a public law enacted for the public good?

The bill legalizes price fixing—the dictation of prices by the manufacturer—which the courts have said is unreasonable restraint of trade and against public policy. If it eliminates competition—and who questions but that it does—what becomes of the public interest? If the public have an interest, why not preserve it? If fair dealings in trade be wholesome, why not make sure that they be maintained? What is the meaning of monopoly but excess profits and high prices? And with the unrestrained power in the hands of the manufacturer, with all competition out of the way, how will the public fare?

The contention that the passage of this bill is necessary to the protection of the property rights of manufacturers in their trade-marks and patents is based upon the false assumption that trade-marks and patents have a greater value than is actually given under the law. A patent simply protects one in the use and enjoyment of his creation during the period fixed by the statute. It is property and as such subject to transfer.

The reputation and good will which a man acquires in business are property, and as such entitled to protection against invasion, and also in part upon the theory of protection to the public against fraud, and in order to obtain the advantage of one's good will and reputation it has long been the custom to affix to the goods employed in a particular trade or business some particular mark to distinguish such goods from similar goods employed by others engaged in the same business. Broadly speaking, such distinguishing marks are trade-marks and their use has been widespread in all countries from very ancient times. There is no limit of time on the life of trade-marks as is the case with patents. A personal trade-mark can not be assigned while an impersonal trade-mark can be assigned only in connection with the particular business in which it has been used, and for continued use upon the same articles which it was first applied to and used upon by its original adopter. The sale of a trade-marked or patented article in nowise affects the manufacturer's property rights in his mark of identification. It is only title to the article itself that passes impressed with marks of identification. To contend that the stamp of identification gives to the owner of identifying mark an interest may be likened unto the affixing of a man's signature (which is his mark of distinction or identification) to a contract as witness giving to him an interest in the subject matter of the agreement. Or a better illustration would be giving a stockman who brands or marks his stock an interest in his product after sale simply because the stock bears his brand or mark. When a manufacturer is protected against use of his trade-mark or patent by another he has enjoyed to the fullest his property rights in the things themselves.

The inroads that chain stores have made into the fields of distribution heretofore occupied almost exclusively by the independent merchant, and the threat that these operations carry to the smaller communities, and the argument that the proposed law would operate as a restraint upon the chain store has brought to the manufacturers a support that otherwise they would never have been able to secure, and which they would not now have if the real purpose and intent of the measure were understood.

This is a manufacturer's bill, nothing more nor less. They want it as insurance of security and profit and at public expense. Its passage will convert the retailer into a mere distributing agent, putting him into a state of wardship to the manufacturer. The argument that it would restrain the chain store and protect the small merchant is a snare and a delusion. As between the manufacturer and retailer it is the spider's invitation to the fly. Chain stores in thousands of instances already take the complete output of manufacturers and in other instances are operating their own plants. If the bill would have any influence upon their business, would it not be to increase their manufacturing operations? The chain stores' methods of conducting their business have done great injury to the business of independent merchants,

and we would all doubtless be glad to do something to remedy this evil, but this can not be done by uprooting an age-old principle of the common law, the destruction of rules of public policy, local and national, and the tinkering with fundamental principles of economic laws.

It is doubtless true, as the Federal Trade Commission says, "that price maintenance and price cutting have been found under certain conditions to be objectionable," but where does the public interest lie? In price maintenance by law, what becomes of competition? While in price cutting it is only the fair use of competitive practices that are involved. As between the manufacturer whose profits are fixed under competitive conditions, and extortionate prices exacted of consumers under unrestricted price maintenance, the duty of the legislator seems perfectly clear.

One of the dangers of the bill is that of putting a monetary value upon trade-marks that they are not intended to have, which will mean that they will be capitalized in the business of the manufacturers and the consuming public made to pay a dividend upon a statutory grant given for an entirely different purpose. The effort is to set up a new system of social arrangements that runs counter to our conception of property rights and personal liberty.

It would be ideal if every operator, whether manufacturer, wholesaler, jobber, retailer, farmer, laborer, or whatever the occupation might be, could realize reasonable profits upon his operations, but if no legislative insurance can be given to all then why give it to the manufacturer to the detriment of others?

The report of the committee reporting this bill is not convincing. It reflects a misconception of the purpose and effect of the measure in this statement:

It must always be kept in view that this bill does not refer to necessities of life, so that it in no way affects the necessary cost of living.

It evidently did not occur to the author of this language at the time of penning it that it is comparatively few necessities of life that are not marketed under some trade-mark, brand, or trade name. What are the necessities of life that are not sold under trade names? They can be named on the 10 fingers. And the language that "what is accomplished by this bill is to restate the principle of the common law" would indicate that the very decision of the Supreme Court that outlawed the contract now sought to be legalized was likewise overlooked, for in that case the court said "that the contract was not only in violation of the antitrust act but likewise against the common law." The committee doubtless accepted as authority for this statement the brief and argument made by another distinguished member of the committee, the gentleman from Pennsylvania [Mr. Beck], in case of Boston Store of Chicago against the American Graphophone Co., decided by the Supreme Court in 1918 and reported in 246 U. S. 8, as it is from this brief that quotations are set forth in this report. Statements from the learned gentleman from Pennsylvania are always interesting and informative, but the committee might have learned by consulting the decision of the court in this case that every argument advanced by the gentleman from Pennsylvania in that case was rejected by the court.

The CHAIRMAN. The time of the gentleman from Georgia has again expired.

Mr. WOOD. Mr. Chairman, I yield the gentleman three additional minutes.

Mr. COX. At common law, contracts in restraint of trade—other than conspiracies to defraud—were illegal in the sense that they were unenforceable; but they were not unlawful in the sense that they were prohibitive. However, the modern tendency of the general and common law recognizes a larger freedom of contract, a wider liberty of bargaining, materially broadens the narrow and medieval view as to what did constitute a restraint of trade. Nevertheless, no contract, arrangement, or conduct has been condemned by the Supreme Court as against the Sherman law, which would have been favored at common law, and no contract or quasi contract has been condemned that would have been enforceable at common law. If the antitrust act were re-

pealed, this contract would still be under the indictment of the law; and if the language set forth in the report to the effect that the bill is not intended to relate to the necessities of life were incorporated in the measure the manufacturers would reject it.

Another objection to the bill, as has already been mentioned and as stressed by the Federal Trade Commission, is that it contains no provision for a review of the terms of resale contracts or revision of resale prices by any disinterested agency. The commission's recommendation of the bill is upon the condition—

That it be provided by law that if the manufacturer of an article produced and sold under competitive conditions desires to fix and maintain resale prices he shall file with an agency designated by the Congress a description of such article, the contract of sale, and the price schedules which he proposes to maintain, and that the agency designated by the Congress be charged with a duty, either upon its own initiative or upon complaint of any dealer or consumer or other party at interest, to review the terms of such contract and to revise such prices, and that any data and information needful for a determination be made available to such agency.

That is the condition upon which the commission makes its recommendation, and surely no legislator would favor the bill without such provision for the protection of the public being incorporated in the measure.

Why give the manufacturer the right to fix the prices that others shall ask for his products without at the same time subjecting his price to the revision of a disinterested agency? But write this provision into the law and the manufacturer will lose interest in it, for he is unwilling to have applied to his business the same rule that he wants to apply to the business of others.

There is much said about freedom of contract. What freedom has the retailer in dictating terms of a contract with a manufacturer for goods that the retailer must have and can secure from no other source? The advantage is already that of the manufacturer with his monopoly of production and distribution. Why give him the liberty to take away from all purchasers the freedom of contracting in the sale of his own goods as his best judgment dictates, taking from him the right of conducting his own business in his own fashion? The freedom here sought to be conferred upon a special class is the denial of freedom to all others. The right to contract as one wills should never be conferred. There are sound public policies that would thereby be upset. It is to such that this bill runs counter.

Public policy is that principle of the law which holds that no one can lawfully do that which has a tendency to be injurious to the public or against the public good. No court has undertaken to give an exact definition of the term, leaving it loose and free of definition in order to meet the exigencies incident to varying habits and fashions of the day, the growth and development of commerce, and the usages of trade, but Mr. Story says:

This rule may, however, be safely laid down: That wherever any contract conflicts with the morals of the time and contravenes any established interest of society, that it is void, as being against public policy.

It was a rule of ancient common law that all contracts in restraint of trade were against public policy and therefore void, but this rule was early modified as the state of society and the condition under which business was transacted changed, however, held within the limits of the necessary protection of the rights of contracting parties. The courts of the United States, in the main, have followed, reluctantly, it is true, but have followed the English courts in the liberalization of the old rule, always, however, making the reasonableness of the restraint the test of legality.

The theory upon which the English courts and those of this country have upheld contracts in restraint of trade is that all restraints of trade are not against the public interest, but it can be safely asserted that any contract or combination in restraint of trade, partial or total, that injuriously affects the public interest is contrary to public policy and void.

This, in brief, is my contribution to the discussion. The question is fundamental and threatens our entire economic

structure. It puts a check upon the progressive development of the law and starts us back toward where we stood three centuries ago under English law, when letters patent were granted, not upon public consideration but upon the favor of the Crown, when under patent rights monopolies upon trades, professions, callings, and such like were effected.

We may take the bill, we may take it with a smile, but the informed membership will smile as does the ass eating thistles. [Applause.]

The CHAIRMAN. The time of the gentleman from Georgia has again expired.

Mr. WOOD. Mr. Chairman, I yield 15 minutes to the gentleman from Pennsylvania [Mr. KELLY].

Mr. KELLY. Mr. Chairman and members of the committee, I appreciate the sincerity and the earnestness of my friend from Georgia in dealing with what is, as he says, a fundamental issue and one that touches deep on the business system of America and on social and economic conditions as well.

I did not have the pleasure of hearing the gentleman's opening discussion of the Doctor Miles decision, but I take it from what I heard that he made the point that the Supreme Court ruled against the right of a manufacturer to name or control the resale price of his product, and that he was in accord with that principle. I asked him the question as to whether he agreed with the Supreme Court in the decision where they said that a manufacturer has the right to maintain his price through the consignment or agency system, and my friend said he was in accord with that principle also. I made the point that the Supreme Court legalized price maintenance by certain methods, while denying it by another.

Now, let us take his statement that no "open and fair minded lawyer can take the antitrust law and put any other construction upon its provisions than is put upon them by the Supreme Court in the Miles case." My contention is that never in the history of the Congress has any bill been passed specifically limiting the right of a manufacturer to contract as to resale prices. In proof I will quote one man who has the respect of all and who, as a prominent member of the Boston bar, wrote the original measure for the legalization of resale prices, Louis D. Brandeis, now an honored Associate Justice of the Supreme Court. I shall quote his testimony before the Interstate and Foreign Commerce Committee. I simply put Justice Brandeis, or rather Attorney Brandeis, as one outstanding lawyer who went into the decision in the Miles case and reached opposite views regarding it.

Mr. COX. Would the gentleman be willing that the witness as judge be quoted against the witness as lawyer?

Mr. KELLY. I am placing in the RECORD his words and, of course, as justice or as lawyer, he stands in a position beyond cavil, as a man who looks at the public policy as well as the letter of a law. Here is what he has said:

Prima facie, a man has a right to enter into any contract he wants to; the limitation is, it must not be against public policy.

A man must start out in business some way. He has certain liberties guaranteed to him by the Constitution which should be protected by the laws of the land, and one of them is liberty of contract. The liberty of contract, however, guaranteed by the Constitution, is not absolute; it is subject to the police power of the Federal Government either as applied by legislation or by limitation in other ways. The law has a right to step in and should step in so far, and only so far, as liberty of contract is used to the injury of the public. I say that the right of the individual to fix a resale price for his goods is consonant with the public interest.

The thing the Supreme Court was passing on was not a thing involving legal erudition. If the court had followed what other courts had said on this subject, it would have decided the other way. It merely exercised its judgment as to what the interests of the country demand and made its interpretation as to what Congress intended by the Sherman Act.

The fact that the Supreme Court by a 5-to-4 decision in the *Sanatogen* case says that such a contract is in restraint of trade does not prove that such a business practice does actually restrain trade. That decision proves only that such is the law of the Federal courts until that court reverses its decision, or Congress, which has the supreme power of declaring the law in this respect, says otherwise. It is Congress which must ultimately

determine questions of economic policy in matters of interstate commerce.

The Supreme Court has the right to determine what is public policy in a limited number of cases as long as Congress has not declared what it is. The Supreme Court has, in passing upon this quasi-legislative question, made what I respectfully submit is an error, and if so, it is the duty of Congress to correct that error.

The court merely expresses its opinion that such agreements are against public policy and that it believes Congress intended to prohibit them when it enacted the Sherman law. I submit most respectfully that this is a most erroneous supposition. There is nothing against the public interest in allowing me to make such an agreement with retail dealers. The public interest clearly demands that price standardization be permitted.

There is no reason why five gentlemen of the Supreme Court should know better what public policy demands than five gentlemen of the Congress. In the absence of legislation by Congress the Supreme Court expresses its idea of public policy, but in the last analysis it is the function of the legislative branch of the Government to declare the public policy of the United States. There are a great many rules which the Supreme Court lays down which may afterwards be changed and are afterwards changed by legislation. It is not disrespect to the Supreme Court to do it.

The American principle is that a man has a right to do anything he pleases with the article he buys unless he has an agreement with the man from whom he bought it that he shall do something else.

There is no constitutional question involved. The only question is, What does the general interest of the community demand?

What I say is this: Such a restriction upon individual liberty instead of being beneficial is harmful and therefore Congress in its wisdom ought to correct the error.

There are certain liberties we have found by experience it is wise to curtail. But wherever you do not have to curtail liberty, wherever the exercise of full liberty by a business man is consistent with the public welfare, public policy demands that we should allow him that liberty, because freedom is the fundamental basis of our Government and our prosperity.

The object here is to restore the individual right to make a legitimate contract. * * * What is being asked for here is not any privilege at all; it is a measure to restore a right commonly enjoyed in the leading commercial States of this country, and the leading commercial countries of the world enjoy as a matter of course, and which was abridged in respect to interstate commerce by certain decisions of the Supreme Court.

Mr. COX. Will the gentleman yield?

Mr. KELLY. I yield.

Mr. COX. The gentleman, as I understand, is quoting Justice Brandeis?

Mr. KELLY. Justice Brandeis; yes.

Mr. COX. As a special pleader in some case before some court?

Mr. KELLY. No; in an appearance before the Interstate and Foreign Commerce Committee, when he stated he represented the public interest.

Mr. COX. In what year?

Mr. KELLY. This was published in the hearings of 1926 and had been given by him at a previous hearing.

Mr. COX. I know, but can the gentleman recall the date of the statement?

Mr. KELLY. The date of the original hearing was 1915 or 1916.

Mr. COX. It was before he went on the court, of course?

Mr. KELLY. He was still a practicing attorney; yes.

Mr. COX. Was it the year before he went on the court?

Mr. KELLY. We all know Justice Brandeis, and I hope the gentleman will not take my time on that.

Mr. COX. In spite of what Justice Brandeis has said, the Supreme Court has followed the ruling of the court which he was indicting in the statement he made there before the committee. The Supreme Court has followed that ruling in the case of *Bauer & Cie. v. O'Donnell* (229 U. S.); and in the case of *Straus against American Publishing Co.*, reported in Two hundred and thirty-first United States Reports; and in the case of *American Graphophone Co. against Chicago Stores*, in Two hundred and forty-sixth United States Reports; and in the case of *Board of Trade of Chicago v. United States* (246 U. S.); and in a number of other cases; is not that true?

Mr. KELLY. I am familiar with those cases.

Mr. COX. And they have also been supported and reaffirmed in decisions approving them?

Mr. KELLY. I hope the gentleman will not take any more of my time in citing cases, because those cases all come down to the last expression made by Justice Brandeis,

wherein he said that his continued expression of dissent to the majority opinion of his brethren on the court had become impossible and Congress has the right to remedy the harm. That sums up all those cases.

Mr. COX. Is the gentleman familiar with the principle involved in the decision in the *Henry* against *Dick* case?

Mr. KELLY. The case of the requirement of an appliance to be used?

Mr. COX. Yes.

Mr. KELLY. Yes; but that does not enter into this question.

I would like to continue now, and I hope the gentleman will let me lay down a few points in reply to his assertions. Of course, it is impossible to go into the whole question at this time, because this involves a philosophy that, as the gentleman has said, concerns all business and every community.

I make the statement that the Congress of the United States never intended at any time to pass any law which would prevent an independent manufacturer of a standard trade-marked article from agreeing with his distributors as to the resale price at which it should be sold.

Mr. COX. Then the Supreme Court in all of these decisions is wrong?

Mr. KELLY. I just quoted Justice Brandeis on that very point. He says the Supreme Court made an error that should be corrected.

Mr. COX. I understand; but is the gentleman contending that those decisions of the Supreme Court are erroneous?

Mr. KELLY. I am contending that the Supreme Court did not take into consideration at all the progress of trade-mark merchandising and that they acted on a set of circumstances which did not apply.

Mr. COX. And, therefore, the decisions were wrong?

Mr. KELLY. And I was putting up Justice Brandeis as a better authority than myself on the Supreme Court.

Mr. COX. But a majority of the court did not agree with Justice Brandeis.

Mr. KELLY. I put Justice Brandeis forward as a far better authority on the Supreme Court than myself. I agree with every word he says, and maintain that it was an inadvertent decision that has wrought tremendous injury in the business fabric and is leading to monopoly in merchandising in this country.

Mr. COX. But the decision which has been followed by the court of which Justice Brandeis is a member—

Mr. KELLY. And Justice Brandeis has protested that by saying the Congress has the power to remedy the evil.

Mr. MERRITT. Will the gentleman yield?

Mr. KELLY. Yes.

Mr. MERRITT. The point being that the whole question is a question of economic law in which the Congress is the court of last resort and not the Supreme Court.

Mr. KELLY. Yes; Congress decides public policy. And Congress has never acted to make illegal such a contract, but the interpretation of the Sherman antitrust law was an interpretation by the Supreme Court and that created a law made by the judicial power instead of the Congress.

Mr. COX. And is not that decision—

Mr. KELLY. I want to be courteous, but I can not yield further at this time.

The CHAIRMAN. The gentleman from Pennsylvania has the floor and has declined to yield.

Mr. KELLY. I will yield to the gentleman for one question.

Mr. COX. Is not that the tribunal that the Government has set up for the interpretation of the acts of Congress and other laws?

Mr. KELLY. That question is thoroughly discussed in the passage I read, where Justice Brandeis said that as long as Congress does not decide what the public policy shall be the Supreme Court had the power of deciding it in disputed cases.

Now, the gentleman has said that the *Miles* decision prevented a manufacturer from maintaining a resale price on his product. It did not do anything of the kind. That Su-

preme Court decision applies to one method of maintaining a resale price, and that method is by agreement.

The Supreme Court in the *Doctor Miles* case and in all other cases that have come under it ruled that the manufacturer can not enter into an agreement with his distributors as to the resale price, but the Supreme Court says it is perfectly legal, if the General Electric Co. desires to deal with retailers on a consignment basis, they have the power to stipulate the price to the consumer. They also ruled that Henry Ford has a valid right to maintain the price on every automobile he puts out, making it uniform all over the United States by resale agencies. So that what the Supreme Court has done is to say, "Maintenance of the retail price is perfectly legal; we give our judicial benediction to it; we say it must be done, however, by corporations that have capital enough to establish resale agencies everywhere or to wait until the goods are sold and title transferred under consignment. Done by these methods it is perfectly valid, and we give it our blessing."

But if any little independent manufacturer who is in competition with hundreds of other manufacturers desires to put his article out in the regular channel of distribution via the wholesaler and retailer, he is absolutely debarred from having control over the price.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. WOOD. Mr. Chairman, I yield the gentleman from Pennsylvania 10 minutes more.

Mr. KELLY. My friends, if we are to limit the right of contract, if we are to interfere with the freedom of contract, one thing is certain, and that is we should put restrictions on every competitor alike. If it is right for Henry Ford to maintain the retail price of his product, then it is right for the little, independent manufacturer, who is in competition with many others of the same class. That is all we are contending for in this bill.

The gentleman thinks that this is extending a new and dangerous power to the little manufacturer. It is nothing of the kind. It is simply a restoration of the right universally held up to 1911 and one that is now recognized in every civilized land in the world. It is even legalized by the acts of the legislatures in some of our own States.

The result is that there is such a chaos in business that the Federal Trade Commission says that it can proceed no further.

This bill is a clear provision giving the right to any manufacturer who is willing to put his name on the article, who is willing to put up his guaranty that he stands back of it—that he may enter into an agreement as to the resale price of the article so that the predatory price cutter may not be able to use that article to lure customers into his store and then sell them other goods at excessive profits.

In the hearing before the Interstate Commerce Commission every opponent testified that there is an undoubted evil in the practice of using these articles as spider-web bargains under certain circumstances.

The results are seen in the monopolization of merchandising which has spread through the country.

From 1920 to 1930 there has been concentration in retailing. In 1920, 4 per cent of retail business was in the hands of chain stores; to-day 22 per cent of the retailing is in the hands of chain stores, that are conducted by heads of organizations far away from the local communities. A great part of that growth is due to this false-pretense system of merchandising.

My friend here says that this is a manufacturer's bill.

Ninety-five per cent of all of the retailers in this country have been praying for Congress to act on this bill for the past 10 years. I have here letters which were sent to President Hoover within the last 30 days, 1 from the National Grocers' Association, 1 from the National Druggists' Association, and 1 from the National Jewelers' Association of America, praying him to carry out the principle of his speech before the American Federation of Labor in Boston and take any step possible against the destructive competition which

is now destroying independent retailers all over the United States.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. KELLY. I yield.

Mr. COX. Then what does the President mean when he inveighed against the repeal of the antitrust law in his message yesterday?

Mr. KELLY. His reference to the antitrust law was in line with the evil I inveigh against, and that is, destructive competition. That is what I am against—the cutthroat competition which is destroying independent retailers. But another point raised by the gentleman was that the trade-mark is a monopoly and that if a man is given a right to name his article then he should go no further but must lose all right to have anything to do with the most vital factor of the good will of his trade-mark, and that is the price of the product. The trade-mark is a public welfare right granted because it is believed that when a man puts his name on a product he will stand back of it and guarantee it.

He is given the right to protect it against adulteration and infringement, but he is helpless against the cutting of his price for ulterior purposes. We are contending that the trade-mark, which is in itself an evidence of competition, because no man can get a trade-mark unless there are competing brands of the same kind of articles, shall also be protected from predatory cutting of prices, which injures the good will of the article. We say that the very existence of a trade-mark is a proof of competition. My bill provides that no man shall be permitted to make this agreement unless he is in competition; he shall not be able to make it unless he has a trade-marked, identified article. He will have a right to add other provisions to the contract besides those specified. He may give the retailer the right to send goods back to him at the price paid. This measure is for fair cooperation between the independent retailers and the independent manufacturers so that they shall serve the public better than they can serve them under a jungle method of price cutting, which destroys orderly distribution of identified goods.

Mr. COX. The gentleman agrees that this is a price fixing bill?

Mr. KELLY. Oh, now the gentleman raises a point to distort the purpose of the bill.

Mr. COX. Let me ask this question.

Mr. KELLY. The gentleman has asked me a question. Let me answer it. He asked whether this is a price fixing bill, and that is exactly the attempt on the part of many opponents. They would give this bill a bad name, calling it a price fixing bill, and thereby encourage the attempt to put into the hands of some Government agency the right to fix these prices.

Mr. COX. Oh, no; I did not mean that.

Mr. STRONG of Kansas. Mr. Chairman, I rise to a point of order. The gentleman from Georgia is interrupting the speaker without addressing the Chair.

The CHAIRMAN. The gentleman from Pennsylvania has the floor.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. KELLY. Let me continue my answer.

Mr. COX. But the gentleman is quoting me as insisting on this bill being adopted with the recommendation that the Federal Trade Commission be incorporated in it.

Mr. KELLY. I understood the gentleman to favor that.

Mr. COX. No; the bill would still be objectionable. I do not suppose the gentleman would insist upon the passage of the bill without the recommendation of the commission being incorporated in it.

Mr. KELLY. The Federal Trade Commission, if it still holds that view, and the gentleman, if he is in favor of that proposition, are entirely opposed to my position. I can not yield any further.

The CHAIRMAN. The gentleman from Pennsylvania declines to yield. The Chair hopes the gentleman from Georgia will respect his right to the floor.

Mr. COX. I shall respect it.

Mr. KELLY. The idea of a Government agency having the final determination of prices, which we contend shall be determined by fair competition, is, of course, the very opposite of the principle of this measure. That is what those who call this a price fixing bill want the public to understand it is. I have heard it said that the Government is to fix the prices under this measure. That is the very opposite of our contention.

We are trying to take the Government out of business. We are endeavoring to protect the freedom which is inherent in Americans and say to them: You shall have the right when you are in competition to agree for a worthy purpose, which is in line with true public policy. Price fixing! Of course somebody must fix the price. But who shall fix it, the maker or the price cutter? If I have a knife in my pocket and I want to sell it, somebody must name the price, either myself or the man who buys it. The manufacturer who makes the article is best equipped to name the fair price, if he is in competition, for fair competition best regulates fair prices. The public then says whether they will buy or not. Therefore we say that if there is competition there shall be restored the right of agreement, which was universally held up to 1911. The gentleman talks about the freedom of contract. Our opponents in the business world are not for freedom; they are not for free competition. What the great distributors who have chained up into powerful organizations want is the price-fixing power in their own hands. They want to take these articles and fix the price on them so that they will be bait to sell other articles at unduly high prices also fixed by themselves.

The CHAIRMAN. The time of the gentleman from Pennsylvania has again expired.

Mr. KELLY. I ask the gentleman to yield me three minutes more.

Mr. WOOD. I yield three minutes more to the gentleman.

Mr. KELLY. The independent retail dealers favor this bill, and the chain stores generally are opposed to it. The chains know what they want, and they know what this bill will do. They know that if they have the power to slaughter the prices of nationally advertised articles they can thereby use those articles as a lure for the sale of other articles at high profit; and that is the reason why they contend manufacturers and independent retailers should not control price cutting. We say that all predatory price cutting on identified goods is an evil, and we propose to put in the hands of independent manufacturers and retailers the right to protect themselves against it.

You may talk about the propaganda that has been coming into Congress on this measure. Have we come to the time when Americans who find themselves crucified by unjust decisions shall not come to Congress and ask for relief? Mr. Brandeis in 1915 said, "You must educate the public and Congress on this vital business question." That is what we are trying to do. I have tried in every way to turn the light on this problem. I sincerely believe that the passage of this bill will benefit every consumer in America. It will also be beneficial to a million and a half retailers who find themselves in danger of extinction at the hands of chain-store organizations. It will be of benefit to many manufacturers who desire to protect their names and good will. It is in line with the American system of equal opportunity and the square deal. It is legislation which, if put on the statute books, will bring more relief to honest business than anything we can enact in this session of Congress. [Applause.]

Mr. BYRNS. Mr. Chairman, I yield 10 minutes to the gentleman from South Carolina [Mr. STEVENSON].

The CHAIRMAN. The gentleman from South Carolina is recognized for 10 minutes.

Mr. STEVENSON. Mr. Chairman and members of the committee, there is no question, after hearing the learned discussion that we have just had, but that occasionally the Supreme Court says something or does something that ought to be changed. Of course, Congress has always reserved the right to change it. Congress itself frequently does things that ought to be changed, and we reserve the

right to change them. In fact, a distinguished President of the United States a few years ago—one of the great Presidents—held that the Comptroller of the Treasury was mistaken in one of his decisions. The comptroller held that he had merely followed a certain line of decisions. The President did not conform to that view. It was a matter in relation to seniority of Army officers, and so on. The question was submitted again to the Comptroller of the Treasury, and he held to the decision he had previously made, and he wrote a letter saying he regretted he was unable to change his opinion. The President replied, and said in substance: "It is perfectly proper for you not to change your opinion, but the President can change his Comptroller of the Treasury," and he did so in that case. We are not infallible, and I think sometimes we should change our policy.

Not long ago we had men from every township in the United States assembled in the most democratic army ever assembled, and we ascertained that we had not paid them what they were entitled to. As a matter of justice we said we would pay them a dollar a day; a dollar a day to those who did not go overseas, and \$1.25 for those who went over. Congress agreed to that. We afterwards enacted a bonus certificate law. Those men have gone along until they are now men in the prime of life to-day. They are trying to build up this country, and the burden of the country will fall largely on their shoulders. Those men think they were not treated right, and they are tied up to-day.

Not long ago a very intelligent fellow came to my office and referred to a leading editorial in a well-known newspaper published in my State, which said, "The chief thing to do is to pay debts." About 100 banks have been closed within the last year. The editorial said, "If people paid their debts the banks would stop closing." The soldier put down on my desk a bonus certificate representing \$1,522, payable in 1945. "Now," he said, "if the people advocating improvement of business and relief of unemployment would do their duty, they would pay their debts," referring to the bonus certificate. It would be a criminal offense for anybody to buy this certificate. He said, "If I tried to borrow money on it they would charge me 6 per cent for it. How can we pay debts when the Government does not pay us, and they are talking about millions and millions of money to be appropriated for the relief of unemployment and for the payment of debts, and all that."

Gentlemen, if the Government would take that matter up—and it can get the money; there is no trouble about that—it would be of great public benefit under the present circumstances. It is a liability on the part of the Government to do justice to these men, just as \$16,000,000,000 of United States war bonds are a liability.

If the Government would get the money and pay these men, it would put two and one-quarter billion dollars into circulation and it would be so distributed that there would not be a township or a school district in this United States that would not get some of it. It would be in circulation and the stringency that now confronts us would be largely relieved, at least temporarily.

I introduced a bill, and so did the gentleman from Texas [Mr. PATMAN] last year looking to this. We did not get much support then, but the experiences of last summer seem to have made many conversions. I have seen many gentlemen who have seen as much light as Paul when he was going into Damascus. They are all rushing to get behind it. What Congress should do is to change its policy and pay off these men who stood between the property interests of this country and the Kaiser and give them at this time this measure of relief, which will be a measure of relief to everybody in the United States.

Mr. HUDDLESTON. Will the gentleman yield?

Mr. STEVENSON. I yield.

Mr. HUDDLESTON. Does the gentleman propose by his bill to pay these certificates at their present value or the value in 1945?

Mr. STEVENSON. I propose to pay them in full. [Applause.] How much does the gentleman suppose they have

loaned on it? There is \$200,000,000 loaned on them, and they have been charged 6 per cent, and when the bank loaned on them they have charged 6½ per cent. Nearly every day a man comes to me to have me help him fix up his letters to send remittances for interest to the bank in Minneapolis. Most of mine seem to have strayed into the bank at Minneapolis. They are paying 6½ per cent to that bank.

Mr. HUDDLESTON. This bonus was originally based on \$1 and \$1.25 per day.

Mr. STEVENSON. Yes, sir.

Mr. HUDDLESTON. Has the gentleman figured out what it will amount to if we pay it in full now?

Mr. STEVENSON. Yes, sir. If we pay it in full now?

Mr. HUDDLESTON. Per day?

Mr. STEVENSON. I have not figured that, but it would not be very great. We could pay it in full now—there were \$3,239,000,000 originally. There has been loaned by the Government and other agencies, mostly by the Government, \$200,000,000. There has been paid on account of deaths, distributed, \$100,000,000. There is a sinking fund now of about \$700,000,000 for the purpose of paying it off. When those amounts are deducted they would have to pay \$2,239,000,000.

Mr. HUDDLESTON. What is the difference in percentage between the present value of those certificates and their value when they mature?

Mr. STEVENSON. I have not calculated that.

Mr. HUDDLESTON. Would it be about 50 per cent?

Mr. STEVENSON. Four per cent for 15 years would be 60 per cent.

Mr. HUDDLESTON. In other words, to pay these certificates in advance we would have to pay 50 per cent more than the \$1 and the \$1.25 per day?

Mr. STEVENSON. Yes, sir; and that would mean that it would run up to about \$1.85 or \$1.90 per day instead of \$1.25.

Mr. BLANTON. Will the gentleman yield?

Mr. STEVENSON. I yield.

Mr. BLANTON. When these men were getting only \$31 per month for fighting in the trenches in France, and some of their brothers who were exempted from the Army were getting \$31 a day for skilled work in our shipyards, it would not be out of proportion to pay them \$1.80 a day, would it?

Mr. STEVENSON. It would not be out of proportion at all. Gentlemen, there was an old man in my county who was sort of out of a job at the time, and he got a job at a cantonment nailing shingles on the barracks at \$7 a day. That is what he got. He was too old to get into the Army. He struck a nail carelessly and it flew up and put his eye out, and I got him a pension from the Bureau of Pensions for the injured civil employees, that is more than many of the men who were actually in the war get right now on their compensation. That is the situation—the people who stayed at home got much more than \$2 a day.

Mr. STRONG of Kansas. Will the gentleman yield?

Mr. STEVENSON. I yield.

Mr. STRONG of Kansas. I am inclined to agree with the gentleman's proposition, but how is the money to be raised? Is it to be raised by bond issue?

Mr. STEVENSON. To be sure. The United States Government might just as well owe bonds to Wall Street as to the veterans all over the country. They want it. It is the way in which the capitalists earn their money. It is a good thing for them to have bonds of the United States. These boys are getting a little more every year, and the interest which they pay takes about one-half of the additional loan which they get. It is just a question of time when the Government will get all that they promised to pay them, and will get it in interest. I say, pay them now and distribute \$3,000,000,000 into every township in the United States.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BYRNS. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. PATMAN].

Mr. PATMAN. Mr. Chairman, unemployment and distress can be relieved and our Nation made prosperous immediately without changing our tax laws if Congress will authorize the payment in cash at this time of an honest debt which has been publicly confessed now owed by the Government to the veterans of the World War for services rendered.

PAY VETERANS' CERTIFICATES NOW

May 28, 1929, I introduced a bill (H. R. 3493) to provide for the immediate payment to veterans of the World War the face value of their adjusted-service certificates. It is now pending before the Committee on Ways and Means, and a hearing is expected on it at an early date. June 6, 1929, and April 3, 1930, I made speeches in the House of Representatives advocating this legislation. Those speeches explained the proposal and the reasons for it more fully than I expect to explain it here to-day.

3,478,956 VETERANS HOLD CERTIFICATES—\$1,010 AVERAGE VALUE

To date 3,478,956 veterans of the World War, who reside in every section of the United States, hold adjusted-service certificates for amounts from \$51 to \$1,585—of the average value of \$1,010. These certificates are usually referred to as "bonus certificates," but they do not represent a bonus; they represent the Government's confession of a debt for services rendered. They are dated January 1, 1925, and due January 1, 1945.

EVERY SECTION OF THE UNITED STATES WILL BE BENEFITED

The following table discloses the maximum amount of money that will be paid to veterans in each State, District of Columbia, and foreign possessions of the United States if the certificates are paid in cash at this time. The minimum amount may be determined by deducting 18 per cent. Eighteen per cent is the maximum amount that the veteran can borrow on the certificates to this time.

	Approximately
Alabama.....	\$62,544,670.97
Alaska.....	1,756,872.78
Arizona.....	9,487,113.01
Arkansas.....	52,354,808.84
California.....	120,170,098.15
Canal Zone.....	245,962.19
Colorado.....	35,137,455.60
Connecticut.....	50,597,936.06
Delaware.....	7,027,491.12
District of Columbia.....	21,433,847.92
Florida.....	31,623,710.04
Georgia.....	76,951,028.16
Guam.....	175,687.28
Hawaii.....	7,378,855.68
Idaho.....	16,514,604.13
Illinois.....	240,340,196.30
Indiana.....	99,087,624.79
Iowa.....	84,681,267.99
Kansas.....	60,436,423.63
Kentucky.....	69,923,536.65
Louisiana.....	56,571,303.52
Maine.....	24,244,844.36
Maryland.....	46,381,441.39
Massachusetts.....	148,280,062.63
Michigan.....	122,278,345.49
Minnesota.....	89,600,511.78
Mississippi.....	46,381,441.39
Missouri.....	120,521,472.71
Montana.....	29,515,462.70
Nebraska.....	42,516,321.28
Nevada.....	4,216,494.67
New Hampshire.....	14,406,356.80
New Jersey.....	99,790,373.90
New Mexico.....	10,892,511.24
New York.....	356,996,548.90
North Carolina.....	64,301,543.75
North Dakota.....	20,379,724.25
Ohio.....	178,498,274.45
Oklahoma.....	67,563,914.75
Oregon.....	32,326,459.15
Pennsylvania.....	268,388,786.23
Philippine Islands.....	19,676,975.14
Porto Rico.....	13,703,607.68
Rhode Island.....	20,731,098.80
Samoa.....	70,274.91
South Carolina.....	47,084,190.50
South Dakota.....	23,893,469.81
Tennessee.....	66,961,165.64
Texas.....	142,306,695.18
Utah.....	15,811,855.02
Vermont.....	10,541,236.68

	Approximately
Virginia.....	\$68,166,663.86
Virgin Islands.....	35,137.46
Washington.....	49,543,812.40
West Virginia.....	43,219,070.39
Wisconsin.....	89,600,511.78
Wyoming.....	9,135,738.46

MONEY AVAILABLE NOW

"Where are we going to get the money?" This is the question that is usually asked and is the easiest question to answer. In 1919 Congress outlined a policy that our Government should pursue in paying the national war debt. Congress considered that the World War was fought for posterity, and the present generation should not be compelled to pay all of the expense of the war. Such policy, as outlined by Congress, if it had been carried out, would have caused the payment on our war debt during the past 10 years of \$3,000,000,000. Instead, \$10,000,000,000 have been paid or \$7,000,000,000 more than Congress said should have been paid. The war debt has been reduced during this time from \$26,000,000,000 to \$16,000,000,000. Foreign governments owe us long-termed bonds aggregating about \$11,000,000,000. After deducting the present value of these bonds from the \$16,000,000,000 little remains of the public debt for the present generation.

SIMPLE PROCESS OF DIVERTING PAYMENTS FROM ONE WAR DEBT TO ANOTHER

Since we are \$7,000,000,000 ahead of the program in paying the national debt I suggest that payments on the principal of the national debt should be diverted to the payment of the adjusted-service certificates. After they are paid our Government will then be more than \$4,000,000,000 ahead of the program outlined by Congress in 1919 for the retirement of the national debt. No change in our tax laws will be necessary.

AMOUNT OF MONEY REQUIRED

To pay this debt in full will require \$3,513,745,560. There is in the Treasury at this time a reserve fund to be used to retire the certificates, when due, of \$748,222,715. After deducting the latter amount from the former the remainder, to be raised by either short-termed certificates or bond issue, is \$2,765,522,845.

INTEREST RATE LOW

This money can doubtless be borrowed by our Government at this time for the lowest rate in many years. The Government is borrowing money now for 1.7 per cent annual interest. It would be good business policy to borrow the money at a low rate and pay off these certificates.

THE PRESIDENT'S BUDGET MESSAGE

The President to-day submitted his Budget message to Congress. It discloses that a payment is expected to be made on the principal of the public debt during the next fiscal year of \$468,509,905. This amount can be paid each year without an increase of taxes. Why pay it on a debt that is \$7,000,000,000 ahead of the policy outlined by Congress for the retirement of the public debt? Let us pay this amount each year on bonds used to retire another war debt, to wit, the adjusted-compensation certificates, until that debt is paid in full; then we will be more than \$4,000,000,000 ahead of the program outlined by Congress for the retirement of the public debt.

FOREIGN DEBTS WILL BE CANCELED IF VETERANS NOT PAID

International and Wall Street bankers want Congress to cancel the \$11,000,000,000 in debts owed our Government by foreign nations. They would profit to the extent of hundreds of millions of dollars if such debts were canceled. They know that the quicker our public debt is paid the quicker they will be successful in their efforts. If we do not pay the veterans now, our public debt will soon be paid and debts of foreign nations canceled.

FULL AMOUNT OF CERTIFICATE SHOULD BE PAID

"Why should the veteran have the full amount of the certificate?" John Doe went to the Army in 1917. He served 200 days overseas and 150 days in the United States. Congress, in adjusting the pay of the veterans, decided that John Doe was entitled to \$1.25 a day extra for his overseas service and \$1 a day for home service, making a total of

\$400 due him. Instead of paying him the \$400, the Government issued to him an adjusted-compensation certificate for \$1,000, due in 1945, which represented the \$400 with interest at about 4 per cent, compounded annually, to that time. The Government having confessed the debt and the amount, it was certainly due halfway between the beginning and the ending of the emergency period, or about June 5, 1918. If John Doe is now given the \$400 with 6 per cent interest, compounded annually, which is the same rate of interest that he is now paying the Government for his own money, the amount will exceed at this time \$800, and by June 5, 1931, it will be \$856, or only \$144 less than full value of certificate. During this time Doe has borrowed the limit allowed by law on his certificate. He received as loans, \$88.15 January 1, 1927, \$26.80 in 1928, \$26.34 in 1929, \$25.85 in 1930, and he will be permitted to borrow \$24.87 January 1, 1931, on his certificate. During this time he has had to pay as high as 6, 7, and 8 per cent interest, compounded annually. He has also had to wait 12½ years for his money. Considering the fact that he has only received the money in little dribs, paid high interest for his own money, and has had to wait so long, I think complete justice should be done by paying him the full amount at this time, less, of course, the amount of money he has borrowed.

SHOULD VETERANS KEEP CERTIFICATES UNTIL 1945?

"Would not the veterans be better off if they will keep their certificates until 1945 and receive the full amount then?" This question is often asked. The answer is "No." About 2,000,000 of the certificate holders have borrowed on their certificates. They are paying 6 per cent interest, compounded annually, for their own money, for which they are only receiving 4 per cent. The difference in interest rate unduly consumes the policy. By borrowing, as a majority of them are doing, they are receiving their money in small dribs, never receiving at any one time enough to be of substantial benefit. After the first loan is granted, the amounts allowed to be borrowed annually after that are about \$24 each year on the average-sized certificate. At the end of 20 years, or in 1945, if he has been fortunate in obtaining the very best interest rate from the beginning, the veteran will have much less than \$50 to his credit, which the Government will pay and cancel his certificate. Over the period of 20 years in the case of a veteran who borrows the limit allowed by law each time the Government will receive in interest more money than the veteran will receive on the principal of his certificate. Why would it not be better to pay the certificate now at full face value and give the veteran a sufficient amount in one lump sum to be of material and substantial benefit?

MILLIONS IN INTEREST AND OVERHEAD SAVED

If the certificates are paid in cash now, the Government will be saved millions of dollars each year overhead expense. The veterans will also be saved millions of dollars in interest that they are paying for their own money.

A PART OF THE WAR DEBT

This debt is just as much a part of the war debt as any other Government obligation. It will have to be paid some time. It can now be paid by diverting payments from one war debt to another. If our national debt is liquidated at the same rapid rate that it has been for the past 10 years, it will soon be paid; then foreign nations will, doubtless, make a successful effort to get their debts owed to the United States canceled.

ADJUSTED COMPENSATION OF OTHERS PAID IN CASH

After the war the owners of railroads received adjusted compensation in cash; 7,000 war contractors received adjusted compensation in cash; 50,000 Government employees, who received an annual salary of \$2,500 or less during the war, received adjusted compensation in cash. The amount necessary to pay the railroads and war contractors aggregated approximately \$3,500,000,000, and the money to pay them was raised in the fifth Victory loan drive. The same principle of adjusting pay was invoked for the veterans, but instead of paying them in cash the Government insists on being guardian for all of the veterans and permitting

them to receive their money in very small amounts at one time and is compelling them to pay 6 per cent interest, compounded annually, for their own money.

FOREIGN COUNTRIES GIVEN BILLIONS OF DOLLARS

After the war Congress gave to foreign countries what was the equal to \$10,000,000,000. All of these foreign countries paid their veterans not only adjusted compensation but bonuses, and paid them in cash with our money. France was given \$4,500,000,000 of our money, which she used to pay her own soldiers a bonus, and now France is so prosperous that she is trying to find a market for a billion dollars she has to lend, while people in the United States can not understand where we will get the money to pay our own veterans a debt that has been confessed by Congress as just and due. It will not be a raid on the Treasury to pay these certificates. It will be carrying out a policy adopted by Congress of paying a debt when due in a business way.

Mr. BLANTON. Will my colleague yield?

Mr. PATMAN. I yield to the gentleman.

Mr. BLANTON. If we were to pay this money in cash in January, it would go immediately into the banks of the country. How could we better help in relieving the present depression than by taking such action?

Mr. PATMAN. I am glad the gentleman has asked me that question.

Much of this money will be placed in the banks and can be borrowed by other people; none of it will be hoarded. Very little of it will be spent foolishly. Most of it will go to provide the veterans, their wives, and children with comforts and necessities of life. Suppose a few of them should spend their money foolishly? The money belongs to them. It will be paid to them for services rendered, and why should the Government be interested in how the money is spent?

PURCHASING POWER WILL BE INCREASED

We all agree that there can be no prosperity without purchasing power. I believe that we are all in agreement that there can not be sufficient purchasing power unless there is sufficient circulating medium. We know that by deliberately increasing purchasing power we can increase general prosperity. Our problem is not so much overproduction as underconsumption.

WILL INCREASE PER CAPITA CIRCULATION OF MONEY

To-day we have about \$36 per capita circulating money in the United States. Ten years ago the per capita circulation was more than \$50, or at least one-third more than it is to-day. You had just as well expect a person to remain well and efficient after the withdrawal of one-third of his circulating blood as to expect a nation to remain prosperous after the withdrawal of one-third of its circulating medium.

PROSPERITY WILL BE RESTORED IMMEDIATELY

If these certificates are paid in cash now, the per capita circulation of money will be increased sufficiently to give the people of the Nation adequate purchasing power. The people of the Nation having adequate purchasing power, prosperity will be restored immediately. You can not operate an automobile without a clutch, neither can you expect our country to be prosperous without sufficient circulating medium.

If the veterans are not paid now, payments will continue to be made on the national debt on which \$7,000,000,000 more has been paid than Congress intended should be paid up to this time. If payments are made on that debt, it will go to people who neither desire nor need the money. It will not cause the purchase of homes, automobiles, radios, furniture, or other comforts and necessities of life. If the money is paid the veterans, it will cause an immediate demand for all of the comforts and necessities of life and even a few of the luxuries. The industries of the country will be able to resume their mass productions and still not be able to supply the demand. Everybody will be helped; the general welfare will be promoted.

Many Members of Congress claim that the ex-soldiers will squander the money. I believe that 99 per cent of them

will use it for a good purpose. I hope the ex-soldiers of this Nation will write their Congressmen and Senators their views on this matter regardless of what they are.

Many Members of Congress claim that the ex-soldiers do not want these certificates paid; that they prefer the certificates in their present form to be payable upon death or 20 years after their issuance. I hope the ex-soldiers will write their Congressmen and Senators their views on this matter regardless of what they are.

I say to you, my friends, in all sincerity, if you want prosperity you should pass this bill. [Applause.]

Mr. BYRNS. Mr. Chairman, I yield 15 minutes to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Chairman, the time was when each department of Government had a separate supply bill, with its annual necessities specifically provided for. We then knew where all of its money was to be spent. The time was when these bills were printed and they were carefully considered by the membership of this House before they were debated and passed. There was a time when there were no lump-sum appropriations.

I have heard such eminent chairmen of the Committee on Appropriations as Fitzgerald, of New York, as Sherley, of Kentucky, as James W. Good, of Iowa, and Martin B. Madden, of Illinois—than whom, in my judgment, no man in this Congress saved more money for the people of the United States—I have heard all of them inveigh on this floor against lump-sum appropriations.

I have heard such men say that there never would be economy in the Government until the Congress provided appropriations for departments specifically and knew what each million dollars was to be spent for before it was taken over by the department.

The time was when I have heard the present distinguished chairman of this Committee on Appropriations [Mr. Wood] stand upon this floor and demand that big sums of money provided for in appropriations should be made specific, so that we should know who handled them, what they were for, and how they were to be spent.

There was a time when I followed the distinguished gentleman from Indiana in his efforts for economy, in his efforts to save the expenses of this Government and keep them within the bounds of proper limitation. But I am afraid I can not follow him much longer, because his policy has changed.

We now have in this bill appropriations for two departments of the Government. They are two large departments of the Government. We are appropriating for them in this one supply bill which is taken up under general debate to-day just a few minutes after it was introduced from the floor. There is no official print of the bill. There will be no official print until to-morrow, Thursday, and yet we have it up under debate hurriedly, and in it we provide \$241,750,026 for the Treasury Department and \$841,803,917 for the Post Office Department. Most of it is in lump sums.

I am in favor of the Capper-Kelly bill just as strongly as my friend Mr. KELLY is in favor of it. I am in favor of the bill of my friend, Mr. PATMAN, to pay the honest debt to these soldiers—to pay what is coming to them. These adjusted-compensation certificates should be paid at once to our ex-service men in cash. I am going to support him down the line on that bill. I am for the bill to stop immigration, to prevent foreigners coming into the country and taking away the jobs of American workmen. I would go farther than some of the pending measures are proposing. I have been preaching as long as I have been here that there should be a suspension of immigration for a number of years until we can properly assimilate the foreigners now within our bounds. I would like to see all immigration stopped for five years. I am sorry to say that my friend from Texas [Mr. Box] will not be back next year. Every Member knows of the distinguished services of this gentleman, and if Congress could have followed him in his judgment and wisdom we would have now a proper limit on immigration. I am against the proposal of the Postmaster General to increase the rate on first-class mail. We must

defeat that. And I am against lump-sum appropriations, and in favor of getting back to specific appropriations.

The time was when we could take up the bill for the Treasury Department and the bill for the Post Office Department, and we would find that it had been considered by more than six Members of this House. As it is at present, only six Members of this House know anything about this bill; only six Members have sat in the hearings. They are the ones who have asked the department chiefs about it. The departments prepare these technical bills. They have their experts prepare them, and I am sorry to say with respect to the War Department and the Navy Department, they have experts prepare those bills in language so technical that few members of the subcommittee even understand what the language means and they do not know the legal result of the language after they pass it into the bill. The time was when a large proportion of the membership passed on appropriations, but now these six Members, the subcommittee of the Committee on Appropriations, consider and approve the bill, prepared by departments, and they bring it in here hurriedly, they debate it hurriedly, and they read it hurriedly under the 5-minute rule, and few of us ever have time to compare these bills with previous bills, and to read the hearings and see where the camouflaged items are that the departments have placed in the bills so that even the subcommittee has not been able to digest them.

I have made it a part of my duty since I have been a Member of this Congress, for 13 years, just as soon as the hearings are printed on a supply bill, to take them to my office and study same, and to take the bill and compare it with previous bills and try to find out what new items are being placed in the bill, as a charge on the exchequer of the people.

I have tried to find out what legislative items are placed in the bills, and our departments are continually trying to legislate. That is nothing new to the membership. They are continually encroaching on the legislative powers of the legislative committees of the House, and that ought to be stopped. The Members who want to do it ought to be given time to look into these bills and scrutinize them carefully.

In a day or two our friend, the distinguished gentleman from Indiana [Mr. Wood], I take it, in response to the President's message, is going to come in here with a bill asking this Congress to turn over to the President and his Cabinet \$150,000,000 for the President and his Cabinet to spend without any direction, without any limitation, without the membership of this House knowing anything about how it is going to be spent, when it is going to be spent, where it is going to be spent, or for what purpose. I am in favor of relieving this present situation. I am in favor of voting every dollar that is necessary. I am one of those who, when the distinguished gentleman from Indiana brings that bill onto the floor, want him to tell every Member of the House what the money is going to be spent for, who is going to spend it, and where the money is finally going to land, and if he feels now as he did in January, 1919, he is going to require that to be done himself. It will be amusing for me to read to you a little passage from the speech of the gentleman from Indiana, whom we all love and respect, and whom, as I say, I used to follow sometimes on questions of economy.

He made a speech on January 13, 1919, when we had a similar proposition before this House, a proposition to turn over then \$100,000,000 without strings to it to the same man who is now asking for it—President Hoover. Let us see how he felt about it then; let us see whether he was then in favor of lump-sum appropriations, and whether he was in favor of turning it over without any strings, without an understanding. I read now from page 1353 of the RECORD of January 13, 1919:

Mr. Wood of Indiana. As a member of the Appropriations Committee I voted against this measure, and nothing has occurred since it was reported to the House to change my opinion. . . . But it occurs to me that we should reach a point presently where we should distribute our charity with some degree of intelligence and where we have some idea as to the character of program that is to be pursued in its distribution. . . .

There is no information in these hearings with reference to the extent of that suffering or where we should commence or the

amount we should distribute here or there or yonder. All of that, we are told, must be left to the discretion of this newly organized body. . . .

Where does it come from? It comes, if you please, from a new organization that has been formed within a month; and who is at the head of the organization? Mr. Hoover. It is Mr. Hoover that is asking for this appropriation and not the President of the United States. . . .

Now, then, gentlemen may differ with me with reference to Mr. Hoover.

I want you gentlemen now to listen further to what the distinguished chairman of this committee [Mr. Wood] said—a man who has spent years here watching the Treasury of the United States, a man whom many of us have followed on questions of economy, a man with good judgment, a man who is stable, a man who is not swept away hither and yon by this wind or that. Here is what he then said:

Now, then, gentlemen may differ with me with reference to Mr. Hoover. I think that Mr. Hoover is the most expensive luxury that was ever fastened upon this country.

Mind you, that comes from the chairman of the Committee on Appropriations [Mr. Wood], but he did not stop there. He said:

I think that he will continue to be the most expensive luxury with which we have to do if we still continue to give him unlimited power.

Mr. Chairman, I hope that the distinguished gentleman from Indiana, Mr. Wood, when he asks for the \$150,000,000, will require the President, who he says is the most expensive luxury the country has ever had, and who he says will continue to be the most expensive luxury, to show us just exactly where and how he is going to spend the \$150,000,000.

I hope he will come up and toe the line and show us exactly where he is going to spend the \$150,000,000; and when he does that I will vote for it. But I am not going to vote for it if he does not. I am not going to vote to turn that much money over to any man thus spoken of by the gentleman from Indiana [Mr. Wood].

Mr. BYRNS. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. Yes.

Mr. BYRNS. Does the gentleman know what the people of the country think about that?

Mr. BLANTON. The country has already passed upon that question. It did so last November. Mr. Wood was the campaign leader for the administration. They were following Mr. Wood, and they took its estimate from the gentleman. I am sure the gentleman from Indiana does not often forget what he says. What he said was so important that we remember it.

Now, we get back to the question of legislation on an appropriation bill. I contend that we should make these departments come in and discuss and explain the specific appropriations and state in detail the amounts which they need. We shall continue to increase expenditures until we get back to specific appropriations.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. WOOD. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. MICHENER, Chairman of the Committee of the Whole House on the state of the Union, having under consideration the bill (H. R. 14246) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1932, and for other purposes, reported that that committee had come to no resolution thereon.

ADDITIONAL APPROPRIATION FOR A SPECIAL COMMITTEE

Mr. PERKINS. Mr. Speaker, I submit a privileged report from the Committee on Accounts.

The SPEAKER. The Clerk will report it.

The Clerk read as follows:

House Resolution 305

Resolved, That an additional appropriation of \$2,000 be paid out of the contingent fund of the House of Representatives on vouchers ordered by special committee, authorized by House Resolu-

tion 191, to inquire into the official conduct of Harry B. Anderson, United States district judge for the western district of Tennessee, be made available for the use of said special committee.

With a committee amendment, as follows:

On line 1 strike out "\$2,000" and insert in lieu thereof "\$5,000."

The SPEAKER. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

The SPEAKER. The question is on agreeing to the resolution as amended.

The resolution as amended was agreed to.

MARY YOKER

Mr. PERKINS. Mr. Speaker, I submit another privileged resolution from the Committee on Accounts.

The SPEAKER. The Clerk will report it.

The Clerk read as follows:

House Resolution 304

Resolved, That there shall be paid, out of the contingent fund of the House, to Mary Youker, widow of George W. Youker, late an employee of the House, an amount equal to six months' compensation and an additional amount, not exceeding \$250, to defray funeral expenses and last illness of the said George W. Youker.

Mr. GARNER. Was this a unanimous report from the Committee on Accounts?

Mr. PERKINS. Yes.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

TEMPORARY JANITOR, HOUSE DOCUMENT ROOM

Mr. PERKINS. Mr. Speaker, I submit another privileged resolution from the Committee on Accounts.

The SPEAKER. The Clerk will report it.

The Clerk read as follows:

House Resolution 307

Resolved, That the Clerk of the House be, and he is hereby, authorized and directed to pay out of the contingent fund of the House compensation at the rate of \$1,440 per annum, payable monthly, for the services of a temporary janitor in the House document room, to be appointed by the Doorkeeper of the House. The compensation and employment hereby authorized shall start from December 1, 1930, and terminate March 31, 1931.

Mr. PATTERSON. Mr. Speaker, will the gentleman yield?

Mr. PERKINS. I yield to the gentleman for one question.

Mr. PATTERSON. This was not a unanimous report. I want to make a little statement about this. All the members of the committee have agreed that the resolution was correct, but some thought that this was not the proper time to consider it. We are to pass a resolution here to employ a man temporarily as a janitor and put him in a place while there is another man in the same place. I am opposed to that kind of a policy. Many irregularities can be expected if we are to go on and pass such resolutions. When some fellow gets old and we have no particular system of retirement and no system of adjusting these things, and we say "We are just going to employ another man at \$120 a month to do that work" when we are already paying a man \$105 a month to do it, and he has been paid that for years and years, and we are still paying him that, and planning to continue it, I am opposed to such a measure.

The SPEAKER. The question is on agreeing to the resolution.

The question was taken, and the Speaker announced that the ayes appeared to have it.

Mr. PATTERSON. Mr. Speaker, I will not call for a record vote on it if the gentleman from New Jersey will promise me that this entire matter will be taken up and investigated.

Mr. PERKINS. Yes. The Committee on Accounts has resolved to do that, and it will be taken up forthwith.

The resolution was agreed to.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. BELL for two weeks on account of important business.

LXXIV—11

BILLS PRESENTED TO THE PRESIDENT

Mr. CAMPBELL of Pennsylvania, from the Committee on Enrolled Bills, reported that that committee did on December 2, 1930, present to the President for his approval bills and joint resolutions of the House of the following titles:

H. R. 736. An act to authorize the cession to the city of New York of land on the northerly side of New Dorp Lane in exchange for permission to connect Miller Field with the said city's public sewer system;

H. R. 9267. An act for the relief of John A. Fay;

H. R. 10387. An act authorizing the Secretary of the Navy, in his discretion, to deliver to the custody of the city of Denver, Colo., the ship's bell, plaque, war record, name plate, and silver service of the cruiser *Denver* that is now or may be in his custody;

H. J. Res. 384. Joint resolution making appropriations available to carry into effect the provisions of the act of the Seventy-first Congress entitled "An act to fix the salaries of officers and members of the Metropolitan police force and the fire department of the District of Columbia"; and

H. J. Res. 393. Joint resolution making an appropriation for the United States-Massachusetts Bay Colony Tercentenary Commission.

ADJOURNMENT

Mr. WOOD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 55 minutes p. m.) the House adjourned until to-morrow, Thursday, December 4, 1930, at 12 o'clock noon.

COMMITTEE HEARINGS

Mr. TILSON submitted the following tentative list of committee hearings scheduled for Thursday, December 4, 1930, as reported to the floor leader by clerks of the several committees:

COMMITTEE ON APPROPRIATIONS

(10.30 a. m.)

War Department appropriation bill.

Agriculture Department appropriation bill.

State, Justice, Commerce, and Labor Departments appropriation bill.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

652. A letter from the Postmaster General of the United States, transmitting the cost ascertainment report for the fiscal year 1930; to the Committee on the Post Office and Post Roads.

653. A letter from the Attorney General of the United States, transmitting statement of the expenditures under appropriations for the United States Court of Customs and Patent Appeals for the fiscal year ended June 30, 1930; to the Committee on Expenditures in the Executive Departments.

654. A letter from the Secretary of the Interior, transmitting accompanying statement of the fiscal affairs of all Indian tribes for whose benefit expenditures from public or tribal funds were made during the fiscal year ended June 30, 1930; to the Committee on Indian Affairs.

655. A letter from the Secretary of the Interior, transmitting report to Congress as to the desirability and practicability of establishing a national park, to be known as the Tropic Everglades National Park, in the everglades of Dade, Monroe, and Collier Counties of the State of Florida (H. Doc. No. 654); to the Committee on Public Lands and ordered to be printed, with illustrations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. WOOD: Committee on Appropriations. H. R. 14246. A bill making appropriations for the Treasury and Post

Office Departments for the fiscal year ending June 30, 1932, and for other purposes; without amendment (Rept. No. 2068). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. PERKINS: Committee on Accounts. H. Res. 304. A resolution to pay Mary Youker, widow of George W. Youker, late an employee of the House, an amount equal to six months' compensation and an additional amount, not exceeding \$250, to defray funeral expenses of the said George W. Youker; without amendment (Rept. No. 2069). Ordered to be printed.

Mr. PERKINS: Committee on Accounts. H. Res. 305. A resolution to provide an appropriation to inquire into the official conduct of Harry B. Anderson; without amendment (Rept. No. 2070). Ordered to be printed.

Mr. PERKINS: Committee on Accounts. H. Res. 307. A resolution relating to payment of compensation for services of a temporary janitor in the House document room; without amendment (Rept. No. 2071). Ordered to be printed.

CHANGE OF REFERENCE

Under clause 2 of the Rule XXII the Committee on Claims was discharged from the consideration of the bill (H. R. 13543) to authorize the payment of the sum of \$2,500 to the dependents of the officers and men who lost their lives on the submarines S-4 and S-51, and the same was referred to the Committee on Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. WOOD: A bill (H. R. 14246) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1932, and for other purposes; committed to the Committee of the Whole House on the state of the Union and ordered to be printed.

By Mr. CHRISTOPHERSON: A bill (H. R. 14247) to increase the efficiency of the Veterinary Corps of the Regular Army; to the committee on Military Affairs.

By Mr. COLTON: A bill (H. R. 14248) to provide for the disposition of asphalt, gilsonite, elaterite, and other like substances on the public domain; to the Committee on the Public Lands.

Also, a bill (H. R. 14249) to amend the act entitled "An act to amend the act entitled 'An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes, approved July 11, 1916, as amended and supplemented, and for other purposes,' approved June 24, 1930, and for other purposes"; to the Committee on Roads.

Also, a bill (H. R. 14250) to provide for the compromise and settlement of claims held by the United States of America arising under the provisions of section 210 of the transportation act, 1920, as amended; to the Committee on Interstate and Foreign Commerce.

By Mr. FITZPATRICK: A bill (H. R. 14251) providing for a 40-hour week for Federal employees; to the Committee on the Civil Service.

By Mr. FREE: A bill (H. R. 14252) for the naming of an avenue in the District of Columbia in honor of the State of California; to the Committee on the District of Columbia.

By Mr. FULLER: A bill (H. R. 14253) authorizing an appropriation of \$5,000,000 to the State of Arkansas to be expended on rural and post roads to relieve the drought situation of 1930; to the Committee on Roads.

Also, a bill (H. R. 14254) to stabilize conditions in areas gravely affected by drought in year 1930; to the Committee on Agriculture.

By Mr. GRAHAM: A bill (H. R. 14255) to expedite the construction of public buildings and works outside of the District of Columbia by enabling possession and title of sites to be taken in advance of final judgment in proceedings for

the acquisition thereof under the power of eminent domain; to the Committee on the Judiciary.

By Mr. HAUGEN: A bill (H. R. 14256) to amend the filled milk act; to the Committee on Agriculture.

Also, a bill (H. R. 14257) to authorize the Secretary of Agriculture to sell the Morton nursery site, in the county of Cherry, State of Nebraska; to the Committee on Agriculture.

By Mr. MONTET: A bill (H. R. 14258) to establish terms of the District Court of the United States for the Eastern District of Louisiana at New Iberia, La.; to the Committee on the Judiciary.

By Mr. MOORE of Virginia: A bill (H. R. 14259) to provide for advancing to drought-stricken States funds for highway construction; to the Committee on Roads.

Also, a bill (H. R. 14260) to provide for the employment and compensation of agents to carry on agricultural extension work in counties affected by drought; to the Committee on Agriculture.

By Mr. WOLFENDEN: A bill (H. R. 14261) to remodel with colonial design the present post-office building at Phoenixville, Pa.; to the Committee on Public Buildings and Grounds.

By Mr. BLAND: A bill (H. R. 14262) to amend section 2 of Public Resolution No. 89, Seventy-first Congress, approved June 17, 1930, entitled "Joint resolution providing for the participation of the United States in the celebration of the one hundred and fiftieth anniversary of the siege of Yorktown, Va., and the surrender of Lord Cornwallis on October 19, 1781, and authorizing an appropriation to be used in connection with such celebration, and for other purposes"; to the Committee on the Library.

Also, a bill (H. R. 14263) to authorize the Secretary of War and the Secretary of the Navy to lend War Department and Navy Department equipment and other supplies for the use of the United States Yorktown Sesquicentennial Commission at the celebration in October, 1931; to the Committee on Military Affairs.

By Mr. COOPER of Ohio: A bill (H. R. 14264) to revive and reenact the act entitled "An act granting the consent of Congress to the city of Warren, in the State of Ohio, its successors and assigns, to construct, maintain, and operate a dam across the Mahoning River, in the State of Ohio," approved September 22, 1922; to the Committee on Interstate and Foreign Commerce.

By Mr. CRAIL (by request): A bill (H. R. 14265) to extend certain letters patent to the heir of Oscar Morath; to the Committee on Patents.

By Mr. HILL of Alabama: A bill (H. R. 14266) authorizing and directing the Secretary of War to lend to the Governor of Alabama 250 pyramidal tents, complete; fifteen 16 by 80 by 40 foot assembly tents; thirty by 50 by 15 foot hospital-ward tents; 10,000 blankets, olive drab, No. 4; 5,000 pillowcases; 5,000 canvas cots; 5,000 cotton pillows; 5,000 bed sacks; 10,000 bed sheets; 20 field ranges, No. 1; 10 field bake ovens; 50 water bags (for ice water); to be used at the encampment of the United Confederate Veterans to be held at Montgomery, Ala., in June, 1931; to the Committee on Military Affairs.

By Mr. REID of Illinois: A bill (H. R. 14267) to amend the act providing for the acquisition of land in the District of Columbia; to the Committee on the District of Columbia.

By Mr. RUTHERFORD: A bill (H. R. 14268) to extend hospital and home facilities to veterans of the Confederate Army and Navy; to the Committee on Military Affairs.

By Mr. WHITE: A bill (H. R. 14269) to amend section 11 (a) of the merchant marine act, 1928, Public No. 453, Seventieth Congress; to the Committee on the Merchant Marine and Fisheries.

By Mr. CULLEN: A bill (H. R. 14270) to amend the act of March 4, 1911 (ch. 239, 36 Stat. L. 1267), as amended; to the Committee on Naval Affairs.

By Mr. FITZGERALD: A bill (H. R. 14271) to authorize the Secretary of the Treasury to prepare and manufacture a medal in commemoration of the one hundred and fiftieth anniversary of the surrender of Lord Cornwallis at Yorktown, Va., and of the establishment of the independence of

the United States; to the Committee on Coinage, Weights, and Measures.

By Mr. KELLY: A bill (H. R. 14272) to empower the Government to write into the specifications and contracts the compensation to be paid to laborers and mechanics employed by contractors and subcontractors on public works of the United States and of the District of Columbia; to the Committee on Labor.

By Mr. SUTHERLAND: A bill (H. R. 14273) to provide for a memorial to William H. Seward for his distinguished services; to the Committee on the Library.

By Mr. TAYLOR of Tennessee: A bill (H. R. 14274) granting a pension to widows and dependent children of World War veterans; to the Committee on Pensions.

By Mr. GLOVER: A bill (H. R. 14275) to regulate the prescribing and use of waters from the Hot Springs Reservation at Hot Springs, Ark., and for other purposes; to the Committee on the Public Lands.

By Mr. McREYNOLDS: A bill (H. R. 14276) to extend the time for commencing and completing the construction of a bridge across the Tennessee River on the Dayton-Decatur Road between Rhea and Meigs Counties, Tenn.; to the Committee on Interstate and Foreign Commerce.

By Mr. SELVIG: A bill (H. R. 14277) to stabilize the price of wheat, and for other purposes; to the Committee on Ways and Means.

By Mr. WOLVERTON of New Jersey: A bill (H. R. 14278) to authorize the donation of obsolete Army rifles and accessories to organizations of war veterans, and for other purposes; to the Committee on Military Affairs.

By Mr. BRUNNER: A bill (H. R. 14279) to amend the World War adjusted compensation act so that adjusted-compensation certificates will be paid off in three years in quarterly installments; to the Committee on Ways and Means.

By Mr. EVANS of Montana: A bill (H. R. 14280) to enable the Secretary of the Treasury to expedite work on the Federal building program authorized by the act of Congress entitled "An act to provide for the construction of certain public buildings, and for other purposes," approved May 25, 1926, and acts amendatory thereof; to the Committee on Public Buildings and Grounds.

By Mr. KENDALL of Pennsylvania: A bill (H. R. 14281) for the construction of the proposed new lock and Dam No. 4, Monongahela River, at its present proposed location; to the Committee on Rivers and Harbors.

By Mr. JOHNSON of Washington: Joint resolution (H. J. Res. 410) to suspend for a period of five years general immigration into the United States; to the Committee on Immigration and Naturalization.

By Mr. HAUGEN: Joint resolution (H. J. Res. 411) for the relief of farmers in the drought-stricken areas of the United States; to the Committee on Agriculture.

By Mr. CONNERY: Joint resolution (H. J. Res. 412) to require that public contracts provide for employment of resident laborers and mechanics and for payment of highest prevailing wages; to the Committee on Labor.

By Mr. ERK: Joint resolution (H. J. Res. 413) designating the first United States narcotic farm to be established near Lexington, Ky., as the Stephen G. Porter Institute; to the Committee on Ways and Means.

By Mr. EVANS of Montana: Joint resolution (H. J. Res. 414) to require the public contracts provide for employment of resident laborers and mechanics and for payment of highest prevailing rate of wages; to the Committee on Labor.

By Mr. BLOOM: Joint resolution (H. J. Res. 416) to increase the amount authorized to be appropriated for the expenses of participation by the United States in the International Exposition of Colonial and Overseas Countries to be held at Paris, France, in 1931; to the Committee on Foreign Affairs.

By Mr. SELVIG: Joint resolution (H. J. Res. 417) authorizing an appropriation for loans for seed, fuel oil, and feed for farmers in the storm-stricken areas of Minnesota; to the Committee on Agriculture.

By Mr. DICKSTEIN: Resolution (H. Res. 309) to authorize an investigation of the methods of Chinese immigration to the Committee on Rules.

By Mr. WHITE: Resolution (H. Res. 310) relative to broadcasting stations since February 23, 1927; to the Committee on the Merchant Marine and Fisheries.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ARNOLD: A bill (H. R. 14282) granting an increase of pension to Mary E. Turbeville; to the Committee on Invalid Pensions.

By Mr. BOLTON: A bill (H. R. 14283) granting a pension to Eliza A. Humiston; to the Committee on Invalid Pensions.

By Mr. BRAND of Ohio: A bill (H. R. 14284) granting an increase of pension to Serepta O. Pearson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14285) granting an increase of pension to Mary A. Cozier; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14286) granting an increase of pension to Louisa P. Moon; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14287) granting an increase of pension to Anna Smith; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14288) granting an increase of pension to Tabitha Alkire; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14289) granting an increase of pension to Sarepta Short; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14290) granting an increase of pension to Josephine L. Wilson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14291) granting an increase of pension to Millie A. Washington; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14292) granting an increase of pension to Mary E. Stokes; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14293) granting an increase of pension to Elizabeth Weigel; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14294) granting an increase of pension to Mary Ann Marion; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14295) granting an increase of pension to Ann E. Tracy; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14296) granting an increase of pension to Catherine March; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14297) granting an increase of pension to Bethana W. Glaze; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14298) granting an increase of pension to Mary A. Johnson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14299) granting an increase of pension to Catharine M. Hampton; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14300) granting an increase of pension to Flora Willhide; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14301) granting an increase of pension to Deborah Fent; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14302) granting an increase of pension to Emma D. Eagleston; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14303) granting a pension to Stella E. Moody; to the Committee on Pensions.

Also, a bill (H. R. 14304) granting an increase of pension to Lavina M. Leaverton; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14305) granting an increase of pension to Hattie A. Lemen; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14306) granting an increase of pension to Hannah Null; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14307) granting an increase of pension to Malinda Wood; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14308) granting an increase of pension to Kate J. Lafferty; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14309) granting an increase of pension to Talitha Craig; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14310) granting an increase of pension to Harriet E. Diltz; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14311) granting an increase of pension to Emma L. Thompson; to the Committee on Invalid Pensions.

By Mr. BUCKBEE: A bill (H. R. 14312) granting an increase of pension to Loretta G. Welch; to the Committee on Invalid Pensions.

By Mr. CARTER of California: A bill (H. R. 14313) for the relief of Harvey M. Hunter; to the Committee on Claims.

By Mr. CHRISTOPHERSON: A bill (H. R. 14314) for the relief of Walter Crowley; to the Committee on Military Affairs.

By Mr. CLARKE of New York: A bill (H. R. 14315) granting a pension to Grace A. Walker; to the Committee on Invalid Pensions.

By Mr. ALMON: A bill (H. R. 14316) for the relief of Fitzhugh Robinson; to the Committee on Claims.

By Mr. COOKE: A bill (H. R. 14317) granting a pension to Victoria I. Gates; to the Committee on World War Veterans' Legislation.

Also, a bill (H. R. 14318) granting a pension to William Hansen; to the Committee on Pensions.

Also, a bill (H. R. 14319) granting an increase of pension to Harry E. Panghorn; to the Committee on Pensions.

By Mr. CRAWL: A bill (H. R. 14320) granting a pension to James P. Frederickson; to the Committee on Pensions.

Also, a bill (H. R. 14321) granting a pension to Joseph A. Wright; to the Committee on Pensions.

Also, a bill (H. R. 14322) for the relief of Walter Prince Keene; to the Committee on Naval Affairs.

Also, a bill (H. R. 14323) for the relief of John McBirney; to the Committee on Military Affairs.

Also, a bill (H. R. 14324) granting an increase of pension to Belle C. Fisher; to the Committee on Invalid Pensions.

By Mr. DOWELL: A bill (H. R. 14325) granting an increase of pension to Margaret Freestone; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14326) granting an increase of pension to Harriett L. Moon; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14327) granting an increase of pension to Anna M. Wilson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14328) granting an increase of pension to Mary E. Person; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14329) granting a pension to Eliza Utter; to the Committee on Invalid Pensions.

By Mr. DRIVER: A bill (H. R. 14330) for the relief of Maj. L. D. Worsham; to the Committee on Claims.

By Mr. ENGLEBRIGHT: A bill (H. R. 14331) for the relief of E. Grant Stuart; to the Committee on Pensions.

Also, a bill (H. R. 14332) to confer jurisdiction upon the United States District Court for the Northern District of California to determine the claim of Madelena Carattini; to the Committee on the Judiciary.

By Mr. FITZGERALD: A bill (H. R. 14333) for the relief of Martin T. Leahy; to the Committee on Military Affairs.

By Mr. FOSS: A bill (H. R. 14334) granting an increase of pension to Addie J. Johnson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14335) granting an increase of pension to Mary J. Beckwith; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14336) granting an increase of pension to Mary E. Pickard; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14337) granting an increase of pension to Josephine A. Lothrop; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14338) granting an increase of pension to Eliza Martin; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14339) for the relief of the Metropolitan Camp Goods Co.; to the Committee on Claims.

By Mr. FREEMAN: A bill (H. R. 14340) granting an increase of pension to Sarah L. Humes; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14341) granting an increase of pension to Sophie H. Penn; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14342) granting an increase of pension to Marian E. Champlin; to the Committee on Invalid Pensions.

By Mr. GIFFORD: A bill (H. R. 14343) for the relief of John Young Gooch, deceased; to the Committee on Military Affairs.

By Mr. GUYER: A bill (H. R. 14344) granting a pension to Amanda M. Case; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14345) granting a pension to Ruth P. Kerns; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14346) granting a pension to Mae M. Hobson; to the Committee on Pensions.

Also, a bill (H. R. 14347) granting an increase of pension to Priscilla Ann Craine; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14348) granting a pension to Emma Zane; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14349) granting an increase of pension to William James Eaton; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14350) granting an increase of pension to Anna C. Eldridge; to the Committee on Invalid Pensions.

By Mr. HASTINGS: A bill (H. R. 14351) granting a pension to Julia Mulkey; to the Committee on Pensions.

By Mr. HAUGEN: A bill (H. R. 14352) granting a pension to Kathryn Abernethy; to the Committee on Invalid Pensions.

By Mr. HOGG of Indiana: A bill (H. R. 14353) granting an increase of pension to Hattie M. Robbins; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14354) granting an increase of pension to Revitha A. Snyder; to the Committee on Invalid Pensions.

By Mr. HOGG of West Virginia: A bill (H. R. 14355) granting a pension to William M. Chevront; to the Committee on Invalid Pensions.

By Mr. HOPKINS: A bill (H. R. 14356) granting a pension to Priscilla Jane Smith; to the Committee on Invalid Pensions.

By Mr. HULL of Tennessee: A bill (H. R. 14357) granting an increase of pension to Rachel Smith; to the Committee on Invalid Pensions.

By Mr. IRWIN: A bill (H. R. 14358) for the relief of certain disbursing officers of the Army of the United States and for the settlement of individual claims approved by the War Department; to the Committee on Claims.

Also, a bill (H. R. 14359) for the relief of Earl I. Brown, colonel, Corps of Engineers; to the Committee on Claims.

Also, a bill (H. R. 14360) for the relief of Lieut. M. A. Sprengel, Supply Corps, United States Navy; to the Committee on Claims.

Also, a bill (H. R. 14361) to provide for the reimbursement of certain civilian employees of the naval operating base, Hampton Roads, Va., for the value of tools lost in a fire on Pier No. 7, at the naval operating base on May 4, 1930; to the Committee on Claims.

By Mr. JENKINS: A bill (H. R. 14362) granting a pension to Chester Jones; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14363) granting a pension to Ernest Stapleton; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14364) granting an increase of pension to Missouri F. Johnson; to the Committee on Invalid Pensions.

By Mr. KEARNS: A bill (H. R. 14365) granting an increase of pension to Susan Ashley; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14366) granting a pension to Lizzie Downing; to the Committee on Invalid Pensions.

By Mr. KELLY: A bill (H. R. 14367) for the relief of Henry James Pape; to the Committee on Naval Affairs.

By Mr. KENDALL of Kentucky: A bill (H. R. 14368) granting a pension to Dicey Terry; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14369) granting a pension to Louise Workman; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14370) granting a pension to Carrie Stidham; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14371) granting an increase of pension to Nettie Adams; to the Committee on Pensions.

Also, a bill (H. R. 14372) granting a pension to Roda Markwell; to the Committee on Invalid Pensions.

By Mr. KERR: A bill (H. R. 14373) granting an increase of pension to Thomas E. Carson; to the Committee on Pensions.

By Mr. MARTIN: A bill (H. R. 14374) granting an increase of pension to Martha R. Brown; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14375) granting an increase of pension to Annie E. Tillinghast; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14376) granting a pension to Gladys Sanford; to the Committee on Pensions.

Also, a bill (H. R. 14377) for the relief of Walter S. West; to the Committee on Naval Affairs.

Also, a bill (H. R. 14378) for the relief of John Leonard; to the Committee on Claims.

Also, a bill (H. R. 14379) for the relief of Walter E. Bassett; to the Committee on Claims.

By Mr. MOORE of Kentucky: A bill (H. R. 14380) granting a pension to Creed C. Polston; to the Committee on Pensions.

By Mr. MOORE of Ohio: A bill (H. R. 14381) granting a pension to Jennie Morrison; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14382) granting a pension to Rachel Elizabeth Phelps; to the Committee on Invalid Pensions.

By Mr. MOORE of Virginia: A bill (H. R. 14383) for the relief of Julia A. Reid; to the Committee on War Claims.

By Mr. MURPHY: A bill (H. R. 14384) granting an increase of pension to Mary E. Britton; to the Committee on Invalid Pensions.

By Mr. NELSON of Maine: A bill (H. R. 14385) granting an increase of pension to Clara E. Seaward; to the Committee on Invalid Pensions.

By Mr. NELSON of Missouri: A bill (H. R. 14386) granting a pension to William James; to the Committee on Pensions.

By Mr. HARCOURT J. PRATT: A bill (H. R. 14387) granting a pension to Emily D. B. Pharmer; to the Committee on Invalid Pensions.

By Mr. RAGON: A bill (H. R. 14388) for the relief of Moses Flowers; to the Committee on Naval Affairs.

By Mr. ROWBOTTOM: A bill (H. R. 14389) granting an increase of pension to Sallie Frakes; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14390) granting an increase of pension to Eunice T. Brown; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14391) granting an increase of pension to Elizabeth Dowdell; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14392) granting an increase of pension to Catherine Coleman; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14393) granting an increase of pension to Lizzie E. Vaughn; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14394) granting an increase of pension to Louisa Yearwood; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14395) granting a pension to Harry D. Reed; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14396) granting an increase of pension to Anna E. Bucklin; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14397) granting an increase of pension to Mary E. Conrad; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14398) granting an increase of pension to Nancy J. Pace; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14399) granting an increase of pension to Zetta Webb; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14400) granting an increase of pension to Josephine Wilson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14401) granting an increase of pension to Mary A. Grubb; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14402) granting an increase of pension to Amanda A. Sibrel; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14403) granting an increase of pension to Jane Reed; to the Committee on Invalid Pensions.

By Mr. REECE: A bill (H. R. 14404) granting a pension to Thomas Grimsley; to the Committee on Pensions.

By Mr. RICH: A bill (H. R. 14405) granting a pension to Michael Wolf; to the Committee on Invalid Pensions.

By Mr. ROBINSON: A bill (H. R. 14406) granting a pension to Allie Henkel; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14407) granting an increase of pension to William A. Blades; to the Committee on Invalid Pensions.

By Mrs. ROGERS: A bill (H. R. 14408) granting a pension to James B. Taylor; to the Committee on Pensions.

Also, a bill (H. R. 14409) granting a pension to Jane Wood; to the Committee on Pensions.

By Mr. SANDERS of New York: A bill (H. R. 14410) granting an increase of pension to Helen L. Madden; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14411) granting an increase of pension to Mary Montgomery; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14412) granting an increase of pension to Sarah L. Hunt; to the Committee on Invalid Pensions.

By Mr. SELVIG: A bill (H. R. 14413) granting a pension to Emma L. Marheine; to the Committee on Pensions.

By Mr. SMITH of Idaho: A bill (H. R. 14414) for the relief of Seymour Fairchild; to the Committee on the Public Lands.

By Mr. SPEAKS: A bill (H. R. 14415) granting an increase of pension to Mary E. Laning; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14416) granting an increase of pension to Cora O. Thomas; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14417) granting an increase of pension to Alice T. Downs; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14418) granting an increase of pension to Elizabeth E. Franks; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14419) granting an increase of pension to Maria Mitchell; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14420) granting an increase of pension to Mary Schutte; to the Committee on Invalid Pensions.

By Mr. STOBBS: A bill (H. R. 14421) granting an increase of pension to Nellie M. Henry; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14422) granting an increase of pension to Ellen Burke; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14423) granting an increase of pension to Mary S. Darling; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14424) granting an increase of pension to Susan L. Dean; to the Committee on Invalid Pensions.

By Mr. SUTHERLAND: A bill (H. R. 14425) for the relief of Erik Nylen; to the Committee on Claims.

By Mr. VESTAL: A bill (H. R. 14426) granting an increase of pension to Laura E. Tansey; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14427) granting an increase of pension to Sarah C. Personett; to the Committee on Invalid Pensions.

By Mr. VINCENT of Michigan: A bill (H. R. 14428) to authorize the appointment of Chester Lawrence Fordney as a captain in the Marine Corps; to the Committee on Naval Affairs.

By Mr. WATRES: A bill (H. R. 14429) for the relief of Daniel Williams; to the Committee on Military Affairs.

By Mr. WHITLEY: A bill (H. R. 14430) granting an increase of pension to Catherine Schuey; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14431) granting an increase of pension to Ella Budd White; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14432) granting an increase of pension to Mary A. Bowman; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14433) granting an increase of pension to Anna E. Reed; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14434) granting an increase of pension to Phebe Janet Clark; to the Committee on Invalid Pensions.

By Mrs. WINGO: A bill (H. R. 14435) granting a pension to Julia Pitts; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14436) for the relief of William C. Ross; to the Committee on Military Affairs.

By Mr. WOLFENDEN: A bill (H. R. 14437) for the relief of Edward P. O'Neal; to the Committee on Military Affairs.

Also, a bill (H. R. 14438) for the relief of Laura Mae Kurtz; to the Committee on Claims.

By Mr. CELLER: Joint resolution (H. J. Res. 415) for the relief of Bernt Balchen, a member of the Byrd Antarctic expedition; to the Committee on Immigration and Naturalization.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

7756. By Mr. BOYLAN: Resolution adopted by the American Federation of Labor, at its convention held in Boston, Mass., October 6 to 17, 1930, favoring the maintenance of efficiently manned navy yards and arsenals to produce adequate national defense; to the Committee on Naval Affairs.

7757. By Mr. BRUMM: Petition of evidence in support of House bill 14104, granting a pension to Sarah E. Derr; also, House bill 14105, granting a pension to Anna Stutzman; to the Committee on Invalid Pensions.

7758. By Mr. CRAIL: Petition of approximately 500 citizens of Los Angeles County, Calif., favoring the immediate enactment of legislation which will result in the outstanding adjusted-compensation certificates being paid in cash at their face value; to the Committee on Ways and Means.

7759. By Mr. CRAMTON: Petitions signed by Georgia M. Cauty and three other residents of the seventh district of Michigan, urging favorable action on House bill 7884, a bill for the exemption of dogs from vivisection in the District of Columbia; to the Committee on the District of Columbia.

7760. By Mr. CULLEN: Petition of American Federation of Labor, favoring maintenance of efficiently manned navy yards and arsenals for adequate national defense; to the Committee on Military Affairs.

7761. Also, petition of Women's Committee for Repeal of the Eighteenth Amendment, urging that the people be given the right to determine the question of retaining or repealing the eighteenth amendment to the Constitution; to the Committee on the Judiciary.

7762. Also, petition of Retail Dry Goods Association of New York City, urging that Congress reject the proposal of Postmaster General Brown to increase the rate of postage for first-class mail; to the Committee on the Post Office and Post Roads.

7763. By Mr. EATON of Colorado: Petition of 20 citizens of Denver, Colo., urging the passage of legislation looking to immediate payment of soldiers' adjusted-compensation certificates in cash (H. R. 3493); to the Committee on Ways and Means.

7764. Also, resolution signed by the president and five members of the board of directors of the Board of County Commissioners of La Plata County, Durango, Colo., urging passage of Senate Resolution 282 to secure an appropriation for use on highways in Ute Indian Reservation; to the Committee on Indian Affairs.

7765. By Mr. FISHER: Petition of citizens of Memphis, Tenn., urging the passage of House bills 162 and 6603; to the Committee on the Post Office and Post Roads.

7766. By Mr. GARBER of Oklahoma: Petition of certain citizens of the eighth congressional district of Oklahoma, urging enactment of legislation providing for cash payment of adjusted-compensation certificates; to the Committee on Ways and Means.

7767. By Mr. GLOVER: Petition of citizens of England, Ark., urging drought-relief legislation; to the Committee on Agriculture.

7768. By Mr. MEAD: Petition of the common council of the city of Buffalo, relative to the restoration of excess-profits tax; to the Committee on Ways and Means.

7769. By Mr. O'CONNELL: Petition of Al Grosz, Accepted Modes (Inc.), New York City, opposing increased postal rates; to the Committee on the Post Office and Post Roads.

7770. Also, petition of the American Federation of Labor, Washington, D. C., favoring maintenance of efficiently manned navy yards and arsenals for adequate national defense; to the Committee on Naval Affairs.

7771. By Mr. O'CONNOR of New York: Resolutions of the American Federation of Labor, favoring manufacture of war munitions and naval vessels in arsenals and navy yards; to the Committee on Naval Affairs.

7772. By Mr. ROBINSON: Petition urging the passage of the Vestal copyright bill, H. R. 12549, signed by Alfred R. Bradford and 53 other citizens of Dubuque, Dubuque County, Iowa; to the Committee on Patents.

SENATE

THURSDAY, DECEMBER 4, 1930

(Legislative day of Wednesday, December 3, 1930)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

CARTER GLASS, a Senator from the State of Virginia; HARRY B. HAWES, a Senator from the State of Missouri; and JOSEPH E. RANDELL, a Senator from the State of Louisiana, appeared in their seats to-day.

COMMITTEE SERVICE

Mr. REED. Mr. President, I send to the desk the following order, which I ask to have read.

The VICE PRESIDENT. The Clerk will read, as requested.

The Chief Clerk read as follows:

Ordered, That the following Senators be assigned to membership on the following committees:

Mr. CAREY: To the Committee on Banking and Currency, the Committee on Civil Service, the Committee on the District of Columbia, the Committee on Irrigation and Reclamation, and the Committee on Military Affairs.

Mr. DAVIS: To the Committee on Banking and Currency, the Committee on Civil Service, the Committee on Interoceanic Canals, the Committee on Manufactures, and the Committee on Naval Affairs.

Mr. MORROW: To the Committee on Education and Labor, the Committee on Military Affairs, the Committee on Post Offices and Post Roads, the Committee on Printing, and the Committee on Public Buildings and Grounds.

Mr. REED. I ask unanimous consent that the order may be entered at this time.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

On request of Mr. ROBINSON of Arkansas and by unanimous consent it was—

Ordered, That the membership of the Committees on Banking and Currency, Commerce, Education and Labor, Manufactures, Post Offices and Post Roads, and Privileges and Elections be increased by one each for the minority and that one each of the membership on the Committees on Military Affairs and Naval Affairs heretofore assigned to the majority be transferred to the minority.

That Mr. BRATTON be excused from further service on the Committee on Pensions.

That the following Senators be assigned to membership on the following committees:

Mr. MCGILL: To the Committee on Naval Affairs, the Committee on Pensions, and the Committee on Post Offices and Post Roads.

Mr. BULKLEY: To the Committee on Banking and Currency, the Committee on Manufactures, and the Committee on Privileges and Elections.

Mr. WILLIAMSON: To the Committee on Commerce, the Committee on Education and Labor, and the Committee on Military Affairs.

EXECUTIVE MESSAGES

Sundry messages from the President of the United States making nominations were communicated to the Senate by Mr. Latta, one of his secretaries.

ANNUAL REPORT OF THE SECRETARY OF THE TREASURY

The VICE PRESIDENT laid before the Senate a communication from the Secretary of the Treasury, transmit-